

BOARD OF WATER RESOURCES  
TOUR TO BLANDING

September 19, 2002

8:30 a.m.	Leave Comfort Inn in Green River
	Tour Gunnison Butte project area
9:30 a.m.	Return to Comfort Inn (Break)
10:00 a.m.	Leave for Moab
11:00 a.m.	Arrive in Moab (Grand County WCD office)
	Tour Moab/Spanish Valley
	Lunch
1:30 p.m.	Leave Moab
2:30 p.m.	Arrive in Monticello (city park)
	Tour Monticello/Loyd's Lake
3:30 p.m.	Recapture Dam and Reservoir\
	Tour Blanding
4:30 p.m.	Arrive at Comfort Inn, 711 South Main, Blanding

# A G E N D A

## UTAH BOARD OF WATER RESOURCES

Nations of Four Corners Cultural Center  
707 West 500 South  
Blanding, Utah

September 20, 2002

8:30 a.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - August 9, 2002

III. CHAIR'S REPORT

IV. FEASIBILITY REPORTS

E004 Gunnison Butte Mutual Irr. Co.

County  
Grand

V. SPECIAL ITEMS

D901 Juab Lake Irr. Co. (Withdrawal)

Juab

D990 Silver Spurs Water Co. (Withdrawal)

Tooele

E023 Draper Irr. Co. (Withdrawal)

Salt Lake

E078 Independence Mutual Water Co.

Utah

(Withdrawal)

L543 Beaver City (Withdrawal)

Beaver

E057 Fremont Waterworks Co.

Wayne

(Request for Parity)

E092 Washington County Water Cons. Dist.

Washington

(Bond Ins.; App. Sum., Feas. Rpt.,  
& Comm. of Funds)

E093 Weber Basin Water Cons. Dist.

Weber

(Bond Ins.; App. Sum., Feas. Rpt.,  
& Comm. of Funds)

E094 Jordan Valley Water Cons. Dist.

Salt Lake

(Bond Ins.; App. Sum., Feas. Rpt.,  
& Comm. of Funds)

VI. SAN JUAN CONSERVANCY DISTRICT REQUEST

(Contract Modification)

VII. APPROVAL OF CLOUDSEEDING FUNDS

VIII. DIRECTOR'S REPORT

IX. OTHER ITEMS

X. NEXT BOARD MEETING - November 8, 2002 - Salt Lake City

XI. ADJOURNMENT

# BOARD OF WATER RESOURCES

## Revolving Construction Fund

### Funding Status

September 20, 2002

Funds Available for Projects This FY	\$ 6,444,000
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#### Projects Contracted This FY

1 Redmond Lake Irr Co	E072		\$ 61,000
2 Brady Ditch Irr Co	E073		60,000
3 Piute Res & Irr Co (Piute Dam)	C022	Grant **	<u>3,752,500</u>
Total Funds Contracted			\$ <u>3,874,000</u>
Funds Balance			\$ <u>2,570,000</u>

#### Projects with Funds Committed

1 Parowan West Fields Irr Co	E044		\$ 15,200
2 East Bench Irr Co	E079		445,000
3 Deseret Irr Co	E056		88,000
4 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant **	4,000
5 Piute Res & Irr Co (Piute Dam)	C022	Loan **	197,500
Commitments for Dam Safety Studies		**	<u>201,000</u>
Total Funds Committed			\$ <u>951,000</u>
Funds Balance			\$ <u>1,619,000</u>

#### Projects Authorized

1 Beaver Bench Irr Co	D918		\$ 280,000
2 Croydon Pipeline Co	D962		35,000
3 North Canyon Irr Co	D955		315,000
4 East Bench Canal Co	E032		256,000
5 Marion Waterworks Co	E053		320,000
6 Deseret Irr Co	E056		432,000
7 Fremont Waterworks Co	E057		150,000
8 Fountain Green Irr Co	E042		212,000
9 Porcupine Highline Canal Co	E062		85,000
Total Funds Authorized			\$ <u>2,085,000</u>
Remaining Funds Available			\$ <u>(466,000)</u>

\* To be presented at Board Meeting

\*\* Dam Safety Projects

**BOARD OF WATER RESOURCES**

**Cities Water Loan Fund**

**Funding Status**

**September 20, 2002**

Funds Available for Projects This FY	\$	2,338,000
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**Projects Contracted This FY**

1 Alpine Cove Water SSD	D930	\$	460,616	
Total Bonds Closed		\$	461,000	
Funds Balance		\$	1,877,000	

**Funds Committed to Projects**

1 Metropolitan Water Dist of Pleasant Grove City	E081	\$	12,000	
2 Roy Water Conservancy Subdistrict	E085		19,000	
3 Centerville City	E086		16,000	
* 4 Washington County WCD	E092		150,000	
* 5 Weber Basin WCD	E093		150,000	
* 6 Jordan Valley WCD	E094		75,000	
Total Funds Committed		\$	422,000	
Funds Balance		\$	1,455,000	

**Projects Authorized**

1 Hanna Water & Sewer District	D983	\$	1,371,000	
2 Trenton Town	L534		1,304,000	
Total Funds Authorized		\$	2,675,000	
Remaining Funds Available		\$	(1,220,000)	

\* To be presented at Board Meeting

**BOARD OF WATER RESOURCES**  
**Conservation & Development Fund**

**Funding Status**  
**September 20, 2002**

Funds Available for Projects This FY	\$	8,613,000
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**Projects Contracted/Bonds Closed This FY**

1	\$	-
Total Funds Contracted/Closed	\$	-
Funds Balance	\$	8,613,000

**Funds Committed to Projects**

1 Price City	L540	\$	2,885,000
Total Funds Committed		\$	2,885,000
Funds Balance		\$	5,728,000

**Projects Authorized**

1 Uintah WCD (Red Wash)	D730	\$	1,940,000
2 Strawberry High Line Canal Co	D976		3,187,000
3 Kanab Irr Co	D968		62,000
4 Center Creek Culinary Water Co	E020		450,000
5 Uintah WCD (Island Ditch)	E036		720,000
6 Mountain Regional Water SSD	E040		1,675,000
7 Midway Irr Co	E064		2,414,000
8 Town of Brian Head	L541		1,700,000
9 Magna Water Co an Improvement District	E068		700,000
10 New Santa Clara Field Canal Co	E069		930,000
11 Johnson Water District	E070		659,000
12 Ephraim Irr Co	E061		1,155,000
13 Centerville City	L544		1,142,000
14 Elsinore Town	L545		514,000
* 15 Gunnison Butte Mutual Irr Co	E004		1,254,000
			1,254,000
Total Funds Authorized		\$	18,502,000
Remaining Funds Available		\$	(12,774,000)

\* To be presented at Board Meeting

# BOARD OF WATER RESOURCES

September 20, 2002

ADDITIONAL ACTIVE PROJECTS		Fund	Est. Board Cost	Total Cost
<b>Authorized or Committed Projects</b>				
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D	\$ 10,925,000	\$ 12,853,000
2 Carbonville Ditch Co	D887	RCF	462,000	597,000
3 Central Utah WCD (Prepay FY98,99,00)	D960	C&D	3,000,000	3,000,000
4 Washington County WCD (Ivins)	D925	C&D	1,390,000	5,100,000
5 Weber Basin WCD (Secondary Irr, Ph 2-5)	E029	C&D	28,369,000	33,375,000
6 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D	18,230,000	21,447,000
7 Hooper Irr Co (Press Irr)	E060	C&D	16,575,000	19,500,000
Subtotal			\$ 78,951,000	\$ 95,872,000
<b>Projects Under Investigation</b>				
1 Downs Ditch Water Co	D899	RCF	\$ 7,500	\$ 10,000
2 K Ranch LLC	D954	RCF	206,250	275,000
3 Keith Johnson	D996	RCF	37,500	50,000
4 Billy Bethers Spring, Cul, & Domestic	E021	RCF	300,000	400,000
5 Marion Park Estates	E065	RCF	173,250	231,000
6 Mayfield Irr Co	E067	RCF	187,500	250,000
7 Rock Dam Irr Co	E083	RCF	37,500	50,000
8 Summit County Service Area #3	E045	CWL	414,750	553,000
9 Woodruff Irrigating Co	D680	C&D	600,000	800,000
10 Kane County WCD	D828	C&D	1,500,000	2,000,000
11 Richfield City	D898	C&D	450,000	600,000
12 Uintah WCD (Leota Bench)	D944	C&D	750,000	1,000,000
13 East Carbon City (Dam)	D969	C&D	7,500,000	10,000,000
14 Town of Altamont	E012	C&D	142,500	190,000
15 City of South Jordan	E034	C&D	2,253,000	3,004,000
16 Payson City (Walker Flat)	E037	C&D	7,500,000	10,000,000
17 Hyrum Blacksmith Fork Irr Co	E047	C&D	2,025,000	2,700,000
18 East Juab County WCD	E071	C&D	375,000	500,000
19 New Escalante Irr Co	E077	C&D	5,625,000	7,500,000
20 Tooele County	E080	C&D	1,125,000	1,500,000
21 Ferron Canal & Res Co	E082	C&D	-	-
22 Whiterocks Irr Co	E084	C&D	1,500,000	2,000,000
23 Richland Nonprofit Water Co	E087	C&D	750,000	1,000,000
* 24 Gunnison City	E088	C&D	860,250	1,147,000
* 25 Wolf Creek Water Conservancy Co	E089	C&D	557,250	743,000
* 26 Parowan City	E090	C&D	204,000	272,000
Subtotal			\$ 35,081,250	\$ 46,775,000
TOTAL			\$ 114,032,250	\$ 142,647,000

\* New Applications

BOARD OF WATER RESOURCES

September 20, 2002

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Mapleton City	D886

BOARD OF WATER RESOURCES

Feasibility Report

Conservation and Development Fund

Appl. No.: **E-004**

Received: 3/16/99

Approved: 4/30/99

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: **GUNNISON BUTTE MUTUAL IRRIGATION COMPANY**

President: Lee Thayn

LOCATION: The proposed project is located about three miles northeast of Green River City in Grand County.

EXISTING CONDITIONS & PROBLEMS: The sponsor was organized several years ago by about a dozen farmers for the express purpose of obtaining Flaming Gorge water rights from the board. They applied for enough irrigation water for 4,085 acres of new ground and supplemental water for 1,501 acres currently being irrigated. It was also planned for the state's School and Institutional Trust Lands Administration (SITLA) to obtain water rights for the irrigation of 6,065 acres, which would be leased and farmed by the sponsor's shareholders. The board awarded 24,825 acre-feet to the sponsor but none to SITLA.

Some individual shareholders are ready to begin utilizing Flaming Gorge water on their farms through upgraded, existing systems, while others are planning to install new systems themselves. One shareholder, Randy Nelson, has approximately 440 acres of private land and about 1,100 acres of SITLA land (primarily used for grazing but suitable for cultivation) about two miles from the Green River. He, with his son, proposes to irrigate the acreage and run a rotational grazing operation, raising calves October through July and building up to 3,700 animals per year. In addition, they plan to grow about 125 acres of lawn turf.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to install a pumped pressurized irrigation system to serve approximately 1,540 acres of new ground. The system will include a pump station on the Green River, about 10 miles of 30 to 8-inch PVC



pipe, a booster pumping station, and a large holding pond. Water will be pumped from the Green River to the pond, then the pressure boosted for use in 13 central pivot sprinklers. The system will serve Mr. Nelson's operation and be installed over five years or so as he has ability to cultivate additional acreage (two or three pivots per year). No other shareholders appear to be interested in obtaining board funding at this time.

Technical assistance to date has been provided by Harward Irrigation.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to the area).

COST ESTIMATE: The following cost estimate is based on Harward Irrigation's preliminary design and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	River Pump Station	LS	\$111,000	\$ 111,000
2.	Booster Pump Station	LS	86,000	86,000
3.	Holding Pond	LS	100,000	100,000
4.	PVC Pipe			
	a. 30-inch	10,000 LF	43.50	435,000
	b. 15-inch	18,800 LF	10.25	192,700
	c. 12-inch	8,900 LF	6.50	57,850
	d. 10-inch	11,200 LF	5.00	56,000
	e. 8-inch	5,100 LF	4.00	20,400
5.	Valves & Fittings	LS	21,000	21,000
6.	Road Crossing	LS	7,000	7,000
7.	Power Line	LS	150,000	150,000
Construction Cost				\$1,236,950
Contingencies				124,050
Legal and Administrative				21,000
Design & Construction Engineering				93,000
TOTAL				\$1,475,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$1,254,000	85%
Sponsor	221,000	15
TOTAL	\$1,475,000	100%

If the board authorizes the project, it is suggested it be purchased in 16 years at 1% interest with annual payments as follows:

<u>Year</u>	<u>Amount</u>
1	\$ 10,000
2	15,000
3	20,000
4	25,000
5	30,000
6	35,000
7-11	76,500
12-15	177,000
16	182,000+/-

The Nelsons are seeking federal and commercial loans to purchase sprinklers and farm equipment, some of which will be paid off around year 12, allowing the sponsor's annual payment to the board to rise significantly.

ECONOMIC  
FEASIBILITY:

The project is economically feasible if its benefits equal or exceed its costs. Since the Nelsons' proposed operation is the sole beneficiary of the project, only its costs and benefits are analyzed.

Increased net farm income was estimated using data supplied by the Nelsons. Crop budgets showing on-farm costs and commodity prices were compiled by the Nelsons with assistance from agricultural economists at Utah State University. These budgets were reviewed by staff and found to be reasonable. A high level of farm management ability on the part of the Nelsons is assumed. When all project-related costs and benefits are discounted to present worth over the 50-year useful project life, the benefit/cost ratio is 2.3.

This does not imply the project is financially feasible because loans for project facilities are repaid over fewer years. The sponsor's current financial condition is not evaluated in the economic feasibility analysis.

FINANCIAL  
FEASIBILITY:

The benefit of installing the project is revenue from calf and turf sales. Annual net benefit for year seven (after full production has occurred) is computed as follows:

Annual benefit of calf & turf sales	\$ 280,000
Less annual cost of sprinkler & farm equipment	<u>-190,000</u>
ANNUAL NET BENEFIT	\$ 90,000

The proposed \$76,500 annual payment to the board at full production is computed by multiplying the board's share (85%) of the project costs by the annual net benefit.

BENEFITS:

Under the project, 1,540 acres of rangeland will be converted to cultivated ground, utilizing approximately 9,240 acre-feet of Flaming Gorge water right. The Nelsons' proposed operation will help boost the local economy as well as encourage agriculture in the area.

PROJECT  
SPONSOR:

Gunnison Butte Mutual Irrigation Company was incorporated June 9, 1998, and is presently registered in good standing with the state Department of Commerce. It owns no facilities, holds no water rights other than those issued it by the board, and is in the process of issuing stock (most likely one share per acre-foot). Those intending to irrigate with company-owned water currently total 15, and represent around 5,200 acres.

The sponsor has discussed maintaining the company only long enough to obtain permanent control of the Flaming Gorge water right for its shareholders, after which it would be allowed to lapse.

Shareholders other than Mr. Nelson are reluctant to back the project if they are to be held financially responsible for payment if he defaults. Mr. Nelson is willing to form a nonprofit irrigation company of his own if that would enable him to obtain funding for the project.

The sponsor has not received financial assistance from the board in the past.

WATER RIGHTS: The sponsor holds water right 41-3531, segregated from the board's Flaming Gorge water right, which allows it to divert 24,825 acre-feet from the Green River (limited to a depletion of 15,143 acre-feet). The sponsor is in the process of filing a change application with the State Engineer's office specifying various points of diversion, and place and nature of use.

The sponsor has discussed segregating rights to its individual shareholders as they put water to beneficial use.

Mr. Nelson will need to ensure the change application approved by the State Engineer includes his proposed diversion, all project farm ground (including SITLA land), stockwatering rights, and storage rights if he intends to hold water for a year-round cattle operation.

EASEMENTS: Pump stations will be located on state land, and pipelines will cross state, county, and private property. The power line to the booster pump station will parallel the transmission pipeline.

ENVIRONMENTAL: The project will convert sparsely vegetated grazing land into cultivated farm ground. Water will be pumped from the Green River; return flows should eventually make it back to the river.

WATER CONSERVATION: The project will develop approximately 9,240 acre-feet of water for use on new farm ground. The system will utilize sprinkle irrigation equipment.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain a lease from SITLA for project lands for at least the term of the purchase contract.
2. Obtain approval from the State Engineer of all necessary water right changes.

3. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.

4. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:

a. Assign properties, easements, and water rights required for the project to the Board of Water Resources.

b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.

5. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.

b. The company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.

c. The company has obtained all permits required for the project.

6. Have an attorney give the Board of Water Resources a written legal opinion that:

a. The company owns all easements and rights-of-way for the project, as well as the land on which the project is located, and that title to these easements, rights-of-way, and the project itself can be legally transferred to the Board.

b. The company's water rights applicable to the project are unencumbered and legally transferable to the Board of Water Resources, and that they cover the land to be irrigated by the project.

In lieu of an attorney's opinion, the company may obtain a title insurance policy in the name of the Board of Water Resources for the easements, rights-of-way, land, and water rights necessary for the project.

7. Obtain approval of final plans and specifications from the Division of Water Resources.

8. Obtain approval of pond plans and specifications from the Division of Water Rights.

9. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

10. Obtain an IRS Employer Identification Number.

STAFF  
COMMENTS:

The Nelsons are proposing a very ambitious project. In so doing they are taking on nearly \$2.5 million in loans. Although their proposed operation appears to be able to pay for itself over the long run, it will likely be operated "in the red" for the first several years.

Projects having few stockholders, or one stockholder holding a large majority of company stock, pose additional risk to the board. Although in many cases the value of water rights provides security the board needs, in the case of Gunnison Butte this value can be questioned since project water rights were granted by the board. If the board authorizes the project, it may want to consider increasing its security by requiring the Nelsons to become personally responsible by mortgaging their personal assets.

PROJECT  
CONTACT  
PEOPLE:

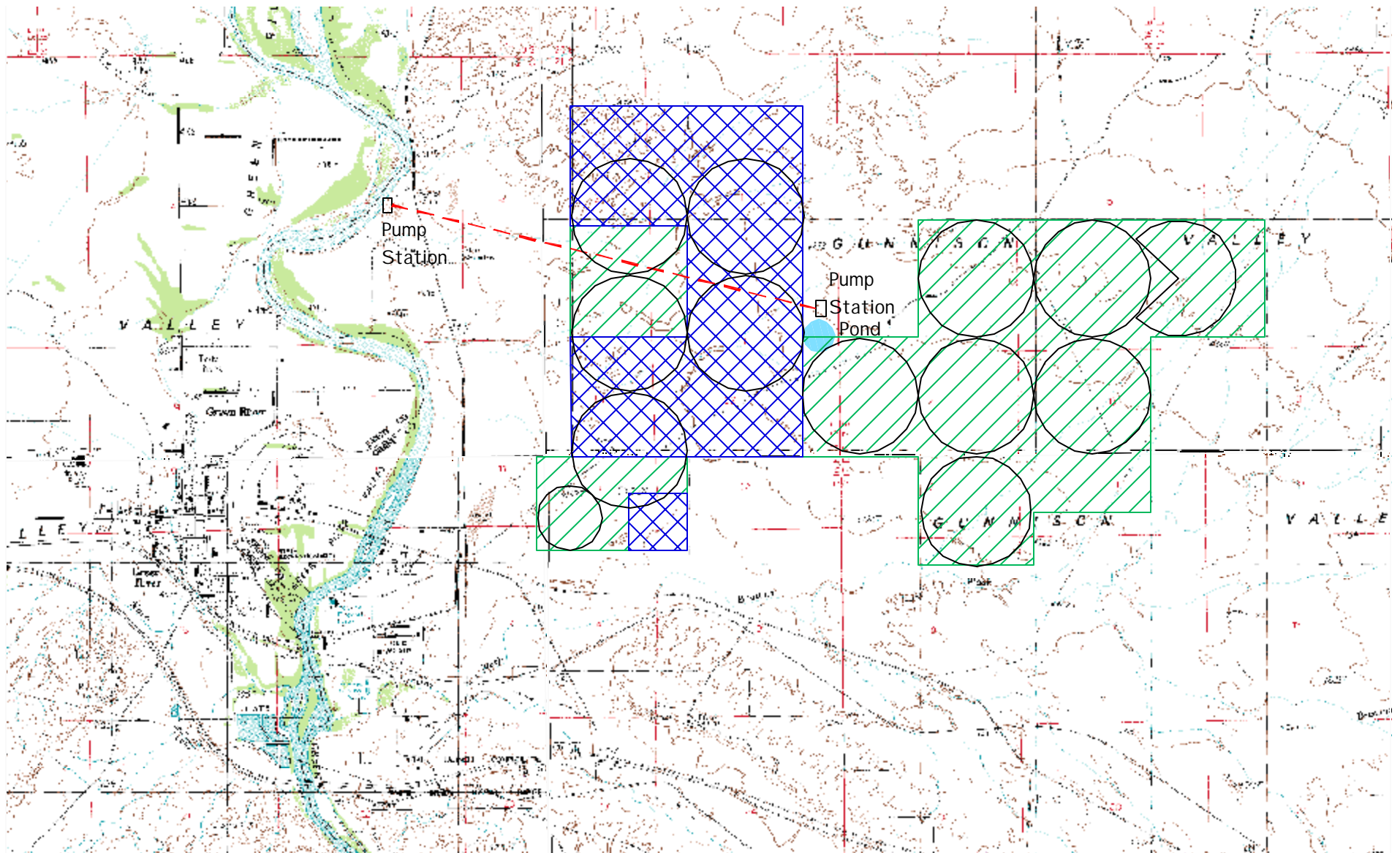
President:

Lee Thayn  
P.O. Box 447  
Green River, UT 84525  
Phone: (435) 564-3325

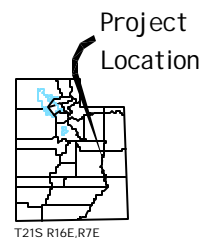
Randy Nelson  
P.O. Box 626  
Green River, UT 84525  
Phone: (435) 564-3555



Engineer:

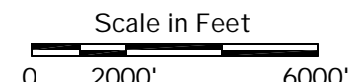
Harward Irrigation  
P.O. Box 847  
Spanish Fork, UT 84660  
Phone: (801) 798-7454



GUNNISON BUTTE MUTUAL IRRIGATION COMPANY  
 Pressurized Sprinkler System  
 Grand County



-  State Owned Land
-  Private Owned Land





BOARD OF WATER RESOURCES

Special Item

Withdrawal

Revolving Construction Fund

Appl. No.: **D-901**  
Received: 2/28/95  
Approved: 3/9/95

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: **JUAB LAKE IRRIGATION COMPANY**

President: Jerold Hall  
P.O. Box 34  
Levan, UT 84639

LOCATION: The sponsor supplies irrigation water, diverted from Chicken Creek at Chicken Creek Reservoir Dam, to farmland in the Mills area, about ten miles southwest of Levan in Juab County.

SUMMARY: The sponsor requested financial assistance from the board to improve its irrigation system by installing pipeline to replace earth ditches, relocating some existing pipe to increase its carrying capacity, cleaning and rehabilitating two flowing wells damaged by flooding, and installing a measuring flume.

Changes in leadership since the application was submitted have altered the company's focus on how it wants to address problems and operations. Because there doesn't appear to be a clear direction shareholders want to follow in improving the irrigation system, staff recommends the application to the board be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **D-990**

Received: 9/18/98

Approved: 9/18/98

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: **SILVER SPURS WATER COMPANY**

President: Brian M. Cox  
3541 North 750 West  
Erda, UT 84074

LOCATION: The water system is located three miles north of Tooele City in Tooele County.

SUMMARY: The sponsor requested financial assistance from the board to purchase the well, tank, and all other parts of the culinary water system serving the 25-lot Silver Spurs development; the system is owned by the developer, who turned over operation and maintenance to the homeowners.

Staff informed the sponsor that the board would consider providing assistance to make improvements to the system once it was owned by the sponsor. Since the application is one to just purchase the system, however, staff recommends it be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **E-023**

Received: 12/29/99

Approved: 1/14/00

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: ***DRAPER IRRIGATION COMPANY***

President: Steven Tripp  
12421 South 800 East  
Draper, UT 84020  
Phone: (801) 571-2232

LOCATION: The project is located at 11600 South 2700 East in Sandy City in Salt Lake County.

SUMMARY: The sponsor requested financial assistance from the board to enlarge and upgrade its 3.3 MGD culinary water treatment plant.

The project is being funded by the Drinking Water Board, so staff recommends the application to the board be withdrawn from further consideration.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Conservation and Development Fund

Appl. No.: **E-078**

Received: 4/29/02

Approved: 6/14/02

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: ***INDEPENDENCE MUTUAL WATER COMPANY***

President: Bryce Pettibone  
2342 East Coyote Drive  
Eagle Mountain, UT 84043  
Phone: (801) 789-3367

LOCATION: The proposed project was to be located in and around the Town of Eagle Mountain, about seven miles west of Lehi in Utah County.

SUMMARY: The sponsor requested financial assistance from the board to drill and equip a well and install a pressurized irrigation system to serve 900 residents. It desired to provide an alternate source of water for outdoor use since it felt the price of culinary water provided by the town was too high and burdensome to many.

The sponsor and town have since worked together, and culinary water rates have been adjusted to more accurately reflect the water's cost. The sponsor therefore requests its application to the board be withdrawn.

BOARD OF WATER RESOURCES

Special Item

Withdrawal

Cities Water Loan Fund

Appl. No.: **L-543**

Received: 1/3/02

Approved: 1/25/02

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: **BEAVER CITY**

Mayor: James E. Robinson  
60 West Center  
P.O. Box 271  
Beaver, UT 84713  
Phone: (435) 438-2451

LOCATION: The proposed project is located within Beaver City in Beaver County.

SUMMARY: The city requested financial assistance from the board to replace 1,150 old water meters in its culinary water system, and install an automated meter reading system.

Because the city feels it can obtain better loan repayment terms on the private market than those staff would recommend to the board, it requests its application to the board be withdrawn.

BOARD OF WATER RESOURCES

Special Item

Request for Parity

Revolving Construction Fund

Appl. No.: **E-057**  
Received: 8/9/01  
Approved: 9/21/01  
Authorized: 11/2/01

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: **FREMONT WATERWORKS COMPANY**

President: Dick Taylor  
P.O. Box 161  
13 East 100 North  
Fremont, UT 84747  
Phone: (435) 836-2784

LOCATION: The proposed project is located in and around the community of Fremont, about four miles north of Loa in Wayne County.

PROJECT DESCRIPTION: The board authorized funding for the sponsor to improve its culinary water system by installing 8-inch PVC transmission pipeline parallel to an existing 4-inch line, replacing old 4-inch and smaller distribution pipeline with 8-inch pipe, and installing fire hydrants.

COST ESTIMATE & SHARING: The authorized cost estimate and sharing are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 150,000	19%
Rural Development (Grant)	375,000	47
Rural Development (Loan)	225,000	28
Sponsor	50,000	6
TOTAL	\$ 800,000	100%

SUMMARY: The board has assisted the sponsor with two other projects in the past and holds title to the water system and water rights. One of the projects has been paid off and the other has a current principal balance of \$391,628, which is being repaid at \$16,000 annually at 0% interest.

Rural Development is scheduled to provide the major part of the funding for the proposed project, but its security requirements are basically the same as the board's.

SPONSOR'S REQUEST: Since the board already holds the sponsor's security, the sponsor requests the Rural Development loan be on a parity with the existing and proposed board "loans". This arrangement would meet Rural Development's requirements.

STAFF COMMENTS: If the board approves this request, staff recommends documentation be prepared by the sponsor's attorney and be subject to approval by the board's legal counsel. It is understood that the parity issue would only be activated in event of default by the sponsor and would be prorated with respect to the loan balances.

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Cities Water Loan Fund

Appl. No.: **E-092**

Received: 9/9/02

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: **WASHINGTON COUNTY WATER CONSERVANCY DISTRICT**

Manager: Ron Thompson  
136 North 100 East #1  
St. George, UT 84770  
Phone: (435) 673-3617

LOCATION: The Washington County Water Conservancy District is charged with water development and management in Washington County.

SUMMARY: The Washington County Water Conservancy District was organized as a regional water supply agency to develop water for rapidly growing areas in Washington County, and is primarily a wholesaler of water to other agencies. The main role of the district is to develop or purchase water where it is available for its service area, and serves water on a retail basis only when other local providers are not available or do not have facilities to do so.

The district plans to issue one series of bonds for \$16 million to fund pipeline extensions and systems to meet the increasing water demand in the county.

REQUEST: The district is requesting the board provide a grant of \$75,000 to buy bond insurance. The insurance will reduce the interest rate about 0.5% and save the district approximately \$500,000 in interest payments over the bond's 30-year repayment period.

ECONOMIC FEASIBILITY: The benefit/cost ratio is assumed to be 1.0.



BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Cities Water Loan Fund

Appl. No.: **E-093**

Received: 9/9/02

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: **WEBER BASIN WATER CONSERVANCY DISTRICT**

General Manager: Tage Flint  
2837 East Highway 193  
Layton, UT 84040  
Phone: (801) 771 -1677

LOCATION: The Weber Basin Water Conservancy District covers over 2,500 square miles within five counties: Davis, Weber, Morgan, Summit, and part of Box Elder.

SUMMARY: The district delivers approximately 220,000 acre-feet of water annually: 60,000 for municipal and industrial uses and 160,000 for irrigation, which includes pressurized secondary irrigation systems. The district operates seven large reservoirs, which store approximately 400,000 acre-feet of the district's water. The reservoirs are Causey, East Canyon, Lost Creek, Pineview, Smith & Morehouse, Wanship, and Willard Bay. The district also operates and maintains over 79 miles of canals, several transmountain tunnels, two multi-county aqueducts, hundreds of miles of raw water and culinary pipelines, 18 deep wells, nine major pumping stations, and three culinary water treatment plants and related distribution systems. The treatment plants are all undergoing extensive rehabilitation and modernization to meet new EPA drinking water standards.

To meet new drinking water regulations and provide service to its users, the district proposes the following projects:

- (1) Expansion and process improvements to the Weber South Treatment Plant, Davis North Treatment Plant, and Davis South Treatment Plant;
- (2) New Weber West Treatment Plant;
- (3) New drinking water wells and the rehabilitation of existing wells in Davis and Weber counties;
- (4) Fluoride-feed facilities where needed;
- (5) Drinking water reservoirs;
- (6) Installation of new pipelines and replacement of existing pipelines and related facilities;
- (7) Development of future water supplies through purchase of water rights and other water sources;
- (8) Related property, rights, equipment, improvements, and facilities.

To pay the cost of the proposed work, the district will issue a bond for \$30 million.

REQUEST:

The district is requesting the board provide a grant of \$150,000 to buy bond insurance. The insurance will reduce the interest rate about 0.6% and save the district approximately \$2 million in interest payments over the bond's 25-year repayment period.

ECONOMIC  
FEASIBILITY:

The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Special Item

Application Summary, Feasibility Report, and Committal of Funds

Cities Water Loan Fund

Appl. No.: **E-094**

Received: 9/9/02

To be Presented at the September 20, 2002 Board Meeting

SPONSOR: **JORDAN VALLEY WATER CONSERVANCY DISTRICT**

General Manager: David G. Ovard  
P.O. Box 70  
West Jordan, UT 84088-0070  
Phone: (801) 565-2700

LOCATION: The Jordan Valley Water Conservancy District provides retail and wholesale water to much of Salt Lake County.

SUMMARY: The Salt Lake County Water Conservancy District was organized in 1951 to meet the growing water needs of Salt Lake County outside of Salt Lake City. Today, the Jordan Valley Water Conservancy District (name changed several years ago) is the largest municipal water district in Utah, serving one-third of the state's population.

With half of the state's fastest growing cities within its boundaries, the district will continue to be challenged by growth as Salt Lake County is projected to grow by 70% over the next 30 years

The district will issue two series of bonds to fund its ongoing capital improvements for the next two years. One series will be issued in a variable rate mode and the other in fixed rate mode; the combined two series will provide \$30 million in net bond proceeds to the district.

REQUEST: The district is requesting the board provide a grant of \$150,000 to buy bond insurance. The insurance will reduce the interest rate about 0.75% and save the district approximately \$2 million in interest payments over the bond's 25-year repayment period.

ECONOMIC  
FEASIBILITY: The benefit/cost ratio is assumed to be 1.0.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. ***E-088***

Received: 8/19/02

SPONSOR: ***GUNNISON CITY***

Mayor:

Mark Henline  
38 West Center  
P.O. Box 790  
Gunnison, UT 84634  
Phone: (435) 528-7969

LOCATION: The proposed project is located in and around Gunnison City in Sanpete County, and extends 2 1/2 miles to the east.

PROPOSED PROJECT: The city is requesting assistance to make improvements to an existing pressurized irrigation system serving residential lots and surrounding farmland. Included will be additional transmission and storage capacity, and looping the secondary system in town.

WATER RIGHTS: 63-4, 2419, 2428, 3227, 3243, 3250, 3252, 3257, 3258

COST ESTIMATE: \$1,147,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-089**

Received: 8/27/02

SPONSOR: **WOLF CREEK WATER CONSERVANCY COMPANY**

Vice-President: Lowell S. Peterson  
3900 N. Wolf Creek Drive  
Eden, UT 84310  
Phone: (435) 745-3737

LOCATION: The proposed project is located a mile north of the community of Eden, about four miles northwest of Huntsville in Weber County.

PROPOSED PROJECT: The sponsor is requesting assistance to extend pressurized irrigation service into the existing Patio Springs and Eden Hills subdivisions, which presently use culinary water for outdoor use.

WATER RIGHTS: 

- E2031
- Shares in Wolf Creek Irrigation Company

COST ESTIMATE: \$743,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-090**

Received: 9/4/02

SPONSOR: **PAROWAN CITY**

Mayor: Ron Smith  
5 South Main Street  
P.O. Box 576  
Parowan, UT 84761  
Phone: (435) 477-3331

LOCATION: The proposed project is located near the southern boundary of Parowan City in Iron County.

PROPOSED PROJECT: The city is requesting assistance to improve its pressurized secondary irrigation system by constructing a new regulation pond outlet structure and drain system, providing erosion protection for a creek bank near the pond embankment, and installing an irrigation water bypass pipeline around an existing hydroelectric power station.

WATER RIGHTS: The city has numerous well, spring, and creek rights, as well as stock in Parowan Reservoir and Irrigation Company.

COST ESTIMATE: \$272,000

STAFF COMMENT: The city will make improvements to its hydroelectric power system concurrently with the irrigation improvements; it is seeking funding from USDA Rural Development for the hydro work.

DIVISION OF WATER RESOURCES  
1594 West North Temple, Suite 310  
Box 146201  
Salt Lake City, Utah 84114-6201

M E M O R A N D U M

September 6, 2002

TO: Board of Water Resources  
FROM: D. Larry Anderson  
SUBJECT: San Juan Water Conservancy District Request

The San Juan Water Conservancy District has made a written request that the interest portion of its March, 2003, payment for Recapture Dam and Loyd's Lake be forgiven. The District wishes to use that money to assist water users in San Juan County in mitigating the impacts of this year's drought and making improvements to community water systems.

The District's total payment to the Board is about \$454,000, with the interest portion being approximately \$230,000. The District made a similar request in 1996, which the Board approved. Staff's principal concern with the current request is it appears to put the Board in the position of finding a creative way to provide grants, using money that is obligated for construction of water projects. The Board's funding programs are specifically structured so the Board can provide low and no-interest loans to water users who have special needs, and repayment terms can be structured so projects are affordable. San Juan water users needing help in constructing projects can apply to the Board now so projects can be presented, approved, and built to be in service by next spring.

Staff suggests the District consider raising its water rates so it can develop a contingency fund for meeting the needs of its members. Its annual payment to the Board consists primarily of money the District receives from taxes and an investment account. Water sales make up a small portion of the District's revenue.

Staff has requested the District provide a list of projects it anticipates funding, so the Board can have some assurance that all the money being requested is needed; the District has not provided the list.



**DIVISION OF WATER RESOURCES**

1594 West North Temple, Suite 310

Box 146201

Salt Lake City, Utah 84114-6201

**M E M O R A N D U M**

September 10, 2002

TO: Board of Water Resources

FROM: Dennis J. Strong

SUBJECT: San Juan Water Conservancy District Payments

In November, 1981, the San Juan Water Conservancy District contracted with the Board of Water Resources to repay the cost of Recapture Dam. In a subsequent agreement in June, 1984, the district agreed to also repay the cost of Monticello Dam (Loyd's Lake).

In 1981, in preparation for entering into an agreement with the board, the district held an election setting forth to the public what the district intended to do. The votes gave the district approval to proceed with the planning and construction of the Recapture and Monticello dams. One of the conditions placed on the district was a 40-year loan term.

Over the years, several improvements, repairs, and modifications have had to be made to both Recapture Dam and Monticello Dam. The cost of these repairs, and the cost of the engineering associated with preparing plans and specifications and managing construction, have been added to the final balloon payment. These increases have become substantial.

As staff has reviewed with bond counsel the original authorization from the people for the project, it has been determined the district was given approval for a 40-year purchase period for each dam. In reviewing the contract documents, 40 years was given on Recapture and the agreement for Monticello was written over the same 40 years; the first payment on Monticello, however, was not made until March, 1986.

Staff suggests the board approve an amendment of the agreement with the district to make the Monticello repayment period 40 years, adding three years to the current agreement.

**DIVISION OF WATER RESOURCES  
1594 West North Temple, Suite 310  
Box 146201  
Salt Lake City, Utah 84114-6201**

September 3, 2002

TO: D. Larry Anderson, Director  
Lloyd H. Austin, Assistant Director

FROM: Dave Cole, Operational Cloud Seeding Coordinator

SUBJECT: Operational Cloud Seeding Program

The Utah Cloud Seeding Act of 1973 authorized the Utah Division of Water Resources to regulate cloud seeding in Utah and sponsor/cost-share in cloud seeding projects. Since water year 1976, the division and/or board has cost-shared with local sponsors for cloud seeding projects. Beginning in 1989, the legislature authorized the board to cost-share with local sponsors for cloud seeding projects with money from the Revolving Construction Fund up to \$150,000 each year. Local sponsored cloud seeding projects have been ongoing since water year 1974.

A recent study by the division estimates an average annual increase in runoff due to cloud seeding of 13 percent at a cost of about one dollar per acre-foot. The operational cloud seeding program, to enhance wintertime precipitation and snowpack, continues to demonstrate a low-cost method of increasing water supplies in target areas of the mountains in Utah.

For the 2001-2002 season, the Board of Water Resources committed funds for the Operational Cloud Seeding Program in the amount of \$150,000 with a maximum cost-share by the state of 50 percent. Three projects were operated in the 2001-2002 season at a total cost of \$279,170. The Central and Southern Utah Project, including eastern Tooele County, was operated by the Utah Water Resource Development Corporation, with a total project cost of \$165,714. The Cache Valley portion of the Northern Project was operated by Cache County at a cost of \$45,645. The West Uintas Project was operated by Weber Basin Water Conservancy District and Provo River Water Users Association at a cost of \$67,810. The state's contribution of \$139,585 was 50 percent of the total project cost.

Letters were sent on August 15, 2002 to potential sponsors of cloud seeding, indicating state assistance and the need to notify the division by October 15, 2002 of intent to participate in the upcoming season.

I recommend the Utah Board of Water Resources commit up to \$150,000 for the 2002-2003 Operational Cloud Seeding Program, with a maximum state cost-share of 50 percent with local sponsors.

## **DIVISION OF WATER RESOURCES**

1594 West North Temple, Suite 310  
PO Box 146201  
Salt Lake City, Utah 84114-6201

### **M E M O R A N D U M**

September 4, 2002

**TO:** Board of Water Resources

**FROM:** Larry Anderson

**SUBJECT:** Cloud Seeding Commitment of Funds for FY 2002-2003

I recommend that the Board commit funds for the 2002-2003 Operational Cloud Seeding Program up to \$150,000 for fiscal year 2002-2003 with a maximum state cost-share of 50 percent with local sponsors.

The following projects have expressed interest in this year's operational program: Central and Southern Utah Project including Tooele County, Northern Project, West Uintas Project, and a potential new project for this year in the Uintas with a joint sponsor of both Duchesne County and Uintah Water Conservancy Districts.

UTAH BOARD OF WATER RESOURCES  
JOINT TOUR WITH IDAHO WATER RESOURCES BOARD

August 8, 2002

Utah Board members and selected staff met at the Bear Lake Marina about 9:00 a.m. for a boat tour of Bear Lake. Sherm Hoskins introduced Larry Gray, the new Park Manager at Bear Lake State Park, and Bryce Nielsen who works for the Division of Wildlife Resources at Bear Lake and is also a county commissioner and former mayor of Garden City. Mr. Hoskins thanked them for lining up the boats. Director Anderson asked them to talk about Bear Lake issues and indicate what the group would be seeing during the tour.

Mr. Gray said the group would look at Ideal and Rendevous Beaches and then go to the east side of the lake to see the more primitive camping sites and undeveloped areas. Bryce Nielsen, who has worked at Bear Lake since 1974 as a fisheries biologist, gave a brief history of Bear Lake, talked about some of the fish species found in the lake, and explained some of the issues caused by the low water level in the lake. He also talked about a major water concern involving the residents in Garden City. Ted Woolley and Wayne Early from the Division of Parks and Recreation talked about boating highlights and regulations. They thanked Representative Pace for working on legislation regarding boating issues. After everyone got on the boats, they stopped at different locations on the lake to view the sites while the leaders of the tour explained their concerns.

The boats returned to the marina and everyone left to get lunch before they boarded a bus at 1:00 p.m. at Harbor Village. Chairman Warren Peterson welcomed the Idaho Water Resources Board members and staff and other visitors.

As the bus traveled to the Rocky Point Dam site, Jack Barnett handed out copies of the Bear River Compact and a history that was prepared by Wally Jibson. He mentioned three members of the Bear River Commission from Utah and Idaho were on the tour and informed everyone that President Bush had just appointed Dee Hansen (former executive director of the Utah Department of Natural Resources) to be the new federal chair of the Bear River Commission. Mr. Barnett talked about the Bear River Commission and its role in distributing the water from the Bear River and storage in Bear Lake.

Everyone got off the bus at Rocky Point Dam site, and Hal Anderson talked about the proposed project. Some county commissioners from Idaho met the group and explained the project and showed a map of the project area. After the bus left that area, Mr. Barnett continued to explain the water distribution issues and pointed out the geology and canals.

While the bus stopped on the bridge at Stewart Dam, Carly Burton handed out information prepared by PacifiCorp. Jody Williams pointed out the Bear River and diversion structure and said Stewart Dam divides the river into the Central and Lower Divisions. She reviewed some of the information in the handouts. As the bus traveled to the Lifton Pump Plant, Ms. Williams pointed out Mud Lake and the wildlife refuge, the causeway, and the sandbar that has formed in Bear Lake.

The bus stopped at the Lifton Pump Plant and Carly Burton talked about PacifiCorp's operation of the pump plant dredging permit they have recently received as well as other information.

The group got back to Harbor Village about 4:15 p.m. and held a public meeting to discuss joint water issues in Utah and Idaho.

Attendees  
Utah Board of Water Resources and Idaho Water Resources Board  
Joint Tour  
August 8, 2002

Utah Board of Water Resources Members

Warren Peterson  
Paul Riley  
Lucille Taylor  
Ivan and Marlene Flint  
Harold and Diane Shirley  
Brad Hancock  
Cleal Bradford  
Bill Marcovecchio

Utah Staff Members

Larry Anderson  
Dennis Strong  
Lloyd Austin  
Eric Millis  
Nancy Fullmer  
Randy Staker  
Geralee Murdock  
Ken Short  
Milo Barney

Idaho Water Resources Board

Joe Jordan  
Dick Wyatt  
Bob Graham  
Jerry Rigby  
Claude Storer  
Terry Uhling  
Leonard Beck  
Gary Chamberlain

Idaho Staff Members

Karl Dreher  
Hal Anderson  
Bill Graham  
Rita Fleck  
Helen Harrington

Visitors

Sherm and Marsha Hoskins

Anna Atwater

Jack Barnett

Jody Williams

Carly Burton

Allen Harrison

Craig Thomas

Representative Loraine Pace

Representative Eulalee Langford (Idaho)

Joe Hill

Boyd Critchfield

Charles Holmgren

Dave Styer

Joint Meeting  
UTAH-IDAHO BOARDS OF WATER RESOURCES  
August 8, 2002 - 4:30 p.m.

Utah Board of Water Resources

Warren Peterson  
Paul Riley  
Bill Marcovecchio  
Harold Shirley  
Cleal Bradford  
Lucille Taylor  
Brad Hancock  
Ivan Flint

Idaho Board of Water Resources

Joe Jordan  
Dick Wyatt  
Bob Graham  
Jerry Rigby  
Claude Storer  
Leonard Beck  
Gary Chamberlain

Utah Staff Members

Larry Anderson  
Dennis Strong  
Lloyd Austin  
Eric Millis  
Ken Short  
Milo Barney  
Randy Staker  
Nancy Fullmer  
Geralee Murdock

Idaho Staff Members

Karl Dreher  
Hal Anderson  
Bill Graham  
Rita Fleck  
Helen Harrington

Visitors

Sherm Hoskins



Anna Atwater  
Jody Williams  
Carly Burton  
Visitors Cont'd  
Allen Harrison  
Craig Thomas  
Jay Franson  
Eric Franson  
Jack Barnett  
Claudia Conger  
Dave Styer  
Charles Holmgren  
Alex Buxton  
Utah Rep. Loraine Pace  
Idaho Rep. Eulalee Langford

Everyone was welcomed by Utah Board Chair, Warren Peterson and Idaho Board Chair, Joe Jordan.

The following presentations were given with questions answered; handouts are on file.

- Bear Lake Regional Commission, on-going studies and work – Allen Harrison
- Utah Water Board Financial Program – Dennis Strong
- Bear River Basin Planning for the Future – Eric Millis
- Idaho Water Board Financial Program – Bill Graham
- Idaho Bear River Groundwater Management Plan – Helen Harrington

Meeting adjourned at 6:15 p.m.

*Unapproved*  
MINUTES

BOARD OF WATER RESOURCES  
BRIEFING MEETING

August 9, 2002

Canyon Cove Motel  
315 West Highway 89  
Garden City, Utah

## BOARD OF WATER RESOURCES

Briefing Meeting  
August 9, 2002

The Board of Water Resources held a briefing meeting and breakfast on August 9, 2002 at 7:15 a.m. in the restaurant at Harbor Village in Garden City, Utah.

The following people were in attendance:

### BOARD MEMBERS

Warren Peterson  
Paul Riley  
Ivan Flint  
Brad Hancock  
Lucille Taylor  
Cleal Bradford  
Harold Shirley  
Bill Marcovecchio

### STAFF MEMBERS

Larry Anderson  
Dennis Strong  
Lloyd Austin  
Nancy Fullmer

### VISITORS

Sherm Hoskins

Chair Warren Peterson called the meeting to order and welcomed everyone.

### Discussion of Projects

The Board members discussed the feasibility report for Elsinore Town. They expressed concerns about the low water rates. Staff said the town would be required to do a water conservation and management plan and adopt a more aggressive water rate structure. Chair Peterson questioned the large amount for the purchase of water rights. Mr. Strong said the funds from the Community Impact Board would be used for that portion of the project. Mr. Peterson reminded the Board that during the tour in June they drove through Elsinore; which is a bedroom community for Richfield.

Chair Peterson said the Deseret Irrigation Company was requesting committal of funds for Phase II.

Harold Shirley said the East Bench Irrigation Company will receive most of its funding from the Central Utah Water Conservancy District, but it will take about a year to receive the funds. Mr. Strong said Lee Wimmer would be at the Board meeting to answer questions about the CUP funds for the project. Mr. Strong also said the price increased so staff recommended the Board give the sponsor an extra year for repayment. Chair Peterson said the company decided to use a contractor rather than installing the project with its own forces.

Cleal Bradford said the Price City project was a large project but they have worked on it for years to decrease the total price. Mr. Strong said staff recommended the repayment period stay the same even though the amount requested from the Board was less than authorized.

Warren Peterson said he would declare a conflict of interest on the Deseret Irrigation Company and Brady Ditch Irrigation Company projects. Mr. Strong said the Brady Ditch project is the same as authorized.

Lucille Taylor said the request from the Metropolitan Water District of Pleasant Grove City was for bond insurance, which the Board has done for other communities. Mr. Strong said the Board received four requests for bond insurance.

Ivan Flint said the request from Roy Water Conservancy Subdistrict is about the same as Centerville City's request for bond insurance.

Harold Shirley said the Kent's Lake Reservoir Company was requesting an amendment of its contract. Mr. Strong explained staff did piezometer work at the dam during the dam safety study and the expenses were added to the end of the loan. The company stated the required assessment amount exceeded its bylaws limit.

### Flaming Gorge Water Right

Dennis Strong said the issue with the Flaming Gorge water right is the Board had two requirements that had to be met by July - a water management and conservation plan needed to be submitted and proof of use of the water filed; the political subdivisions have until 2004 to provide proof. Some of the recipients asked for an extension. Staff recommended the Board give everyone who responded a two year extension. Pine Creek Irrigation Company did not send a letter, but the company's change application was protested and rejected by the State Engineer. Staff recommended their allocation be lapsed and returned to the Board. Warren Peterson asked about the project that was completed and certificated for Brent Sheffer but staff did not know the details of the project.

### San Juan Water Conservancy District Request

Cleal Bradford expressed his feelings about the request from the San Juan Water Conservancy District as he explained at the June Board meeting. He suggested an alternative proposal since the district did not comply with staff's request to submit a list of projects it anticipates funding. Warren Peterson asked if the Board had statutory authorization to give grants; staff said only for dam safety or creative financing. Staff said the district could make an application to the Board on behalf of the communities of Navajo Mountain, Mountain Valley and Eastland. Director Anderson said the Division of Comprehensive Emergency Management is working with Navajo Mountain trying to get them some drinking water.

Chair Peterson said it seems the appropriate action would be to deny the request because the district has collected the money and did not give the Board a list of projects it anticipates funding. Mr. Bradford said since the next meeting will be in San Juan County he would like to defer action until then. Paul Riley asked about the Gunnison Butte project that was deferred until the Board could look at it during the tour to San Juan County. Mr. Bradford said the project was in Green River. Some of the Board members expressed concerns about deferring action on the request from the San Juan Water Conservancy District; they felt the district should submit an application on behalf of the three communities. Mr. Bradford again encouraged the Board to defer action.

### New Applications

Bill Marcovecchio talked about the New Application from Tooele County to drill and equip a well. He said he has looked at the project twice and met in a third meeting with them at the Division of Water Resources office. He recommends the Board support the project. Dennis Strong said staff is in the investigation process of the project and thinks it fits within the Board's guidelines.

### Other Items

Warren Peterson suggested changes to the minutes. He said the briefing meeting and regular board meeting minutes were excellent, but he had corrections on the minutes for the tour. The Board members agreed with his changes.

Chair Peterson asked Paul Riley to report on a meeting he attended with Garden City officials the previous day. Mr. Riley said the Division of Drinking Water determined the town's water system was subject to surface contamination. The division is proposing a filtration system that will cost about \$2.7 million, which will be a significant burden on the community. Mr. Bradford said he also attended the meeting and the town requested the Division of Drinking Water to do additional testing.

The Board members talked during breakfast about the Logan First Dam project and also about the Governor's proposal to take the 1/16% sales tax monies from the board.

The briefing meeting adjourned about 8:30 a.m.

*Unapproved*  
MINUTES  
BOARD OF WATER RESOURCES MEETING  
August 9, 2002

Canyon Cove Motel  
315 West Highway 89  
Garden City, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the June 13 and 14, 2002 meetings were approved with suggested changes to the Tour Minutes page 1
2. The Elsinore Town project was authorized in the amount of \$514,000 to be repaid in 25 years with the interest rate to be worked out. page 2
3. Funds were committed to the Deseret Irrigation Company in the amount of \$88,000 (80%) to be repaid in two years at 0% interest with annual payments of \$81,000 in 2008 and approximately \$7,000 in 2009. page 3
4. The Board committed funds to the East Bench Irrigation Company in the amount of \$445,000 (96%) to be repaid at 0% interest with annual payments of \$9,000. Funds will not be released until approval is received from the CUWCD for the Section 206 funds. page 3
5. Funds were committed to Price City in the amount of \$2.885 million (35%) to be repaid in 25 years at 1.5% interest with annual payments of approximately \$140,000 not including reserves. Reserves will be accumulated in the amount of \$140,000 when the first payment to the Board is due. page 4
6. The Board committed funds to the Brady Ditch Irrigation Company in the amount of \$60,000 (75%) to be repaid at 0% interest with annual payments of \$4,000 over 15 years. page 4
7. A grant of \$19,000 was approved to buy bond insurance for the Roy Water Conservancy Subdistrict. page 4
9. The Kent's Lake Reservoir Company contract was amended to adjust the total amount paid by the company for the last three years of the contract to be \$20,000. This will extend the repayment period to 2008. page 5
10. The Board will write a letter stating they support the concept of CUP water being delivered to south Utah County. The letter is to be presented at the September Board meeting for approval before being sent. page 6
11. The Flaming Gorge Water Right was extended two years for the Eastside High Ditch Co., Boulder Farmstead Water Co., Garfield County School District, W.W. Water Co., Gunnison Butte Mutual Irrigation Company and Daggett County. The Board also withdrew the Pine Creek Irrigation Company's application. page 7
12. The Board granted \$12,000 to the Metropolitan Water District of Pleasant Grove City to buy bond insurance. page 7
13. Centerville City received a grant of \$16,000 to buy bond insurance. page 7

## SUMMARY OF BOARD ACTIONS CONT'D.

14. The San Juan Water Conservancy District project was tabled until the September 20,2002 Board meeting in Blanding. page 7

## THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, August 9, 2002 at 8:30 a.m. at the Canyon Cove Motel, 315 West Highway 89, Garden City, Utah.

### BOARD MEMBERS PRESENT:

Warren Peterson  
Paul Riley  
Harold Shirley  
Paul Riley  
Bill Marcovecchio  
Brad Hancock  
Ivan Flint  
Cleal Bradford

### STAFF MEMBERS PRESENT:

D. Larry Anderson, Director  
Dennis Strong, Deputy Director  
Lloyd Austin, Asst. Director  
Nancy Fullmer, Administrative Secretary  
Randy Staker, Accountant  
Eric Millis, Chief, River Basin Planning  
Ken Short, Sr. Engineer  
Milo Barney, CUP Liaison  
Geralee Murdock, Executive Secretary

### OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources  
David Styer, Manager, Bear River Canal Company  
Eric Franson, EIT, Franson Noble Engineering  
Gordon Younker, EVP, Utah Association of Conservation Districts  
Alex Buxton, Asst. Vice President, Zions Bank Public Finance  
  
Eldred Jensen, Councilman, Elsinore Town  
Darin Robinson, Engineer, Jones & DeMille Engineering  
  
Roy Watts, Manager, Roy Water Conservancy Subdistrict  
Carlos J. Larsen, Chairman, Roy Water Conservancy Subdistrict

OTHERS PRESENT CONT'D.

Brian Wood, Project Manager, Richland Non-Profit Water Company

Bob Wood, President, Richland Non-Profit Water Company

Lee Wimmer, Asst. General Manager, Central Utah Water Conservancy District

Randy Brailsford, Mayor of Salem City

Dale R. Barney, Mayor, Spanish Fork City

MINUTES  
BOARD OF WATER RESOURCES MEETING  
August 9, 2002

Chair Peterson apologized for the delay of the meeting and thanked everyone for coming.

APPROVAL OF MINUTES

Cleal Bradford made the motion to approve the minutes of the June 13 and 14, 2002 meetings with suggested changes to the Tour Minutes. Bill Marcovecchio seconded the motion and it was agreed upon by the Board.

INTRODUCTIONS

Chair Peterson introduced Dave Styer, manager of Bear River Canal Co., Eric Franson of Franson and Noble, and Gordon Younker, executive secretary of the Utah Association of Conservation Districts (UACD). Mr. Younker expressed appreciation to Chair Peterson and Director Anderson for their participation in defending the 1/16% sales tax for water resource loans at the last Natural Resources Conservation Subcommittee. He also requested direction regarding what the UACD could do to best provide input to the interim study committee regarding loans for farmers and ranchers throughout the state. Mr. Younkers said the UACD receives \$500,000 a year from the 1/16% sales tax for new programs. Mr. Peterson said Mr. Younkers was also at the meeting to lend support to the cause.

CHAIR'S REPORT

Chair Peterson reported on the Natural Resources Appropriation Subcommittee hearing regarding the budget shortfall and the Governor's suggestion to pull \$12 million from water resources budgets. Director Anderson spoke to the budget cuts and responded to questions from the legislators. Chair Peterson also responded to several questions from the subcommittee. The caucus voted unanimously to stand by the budget which amounted to a \$2.1 million cut adopted earlier by the legislature.

The Governor and legislators did agree on adoption of Senate Bill 5012 which established a task force on alternative revenue sources for water funding. The task force is composed of eleven members consisting of legislators (Senators Blackham and Dmitrich and Representatives Ure and Gowans), executive office holders (Bob Morgan, Dianne Nielsen and Natalie Gochmour) and five at large people familiar with experience in water policy (Dave Ovard, Ron Thompson, Tage Flint, Joe Mehling and Chair Peterson). The first meeting will be August 12. The task force is charged to meet not more than six times and then report back to the Water Development Commission by November 30.

## FEASIBILITY REPORT

### #L545 Elsinore Town

Chair Peterson introduced Eldred Jensen from Elsinore, and Darin Robinson with Jones & DeMille Engineering. Dennis Strong reported Elsinore supplies culinary water to 425 connections, 276 are inside the town limits and 149 outside. Continuing growth has exhausted the culinary water supply, much of the pipeline distribution system is old and too small to provide flows required by current fire codes. Elsinore is requesting financial assistance from the Board to improve its culinary water system by purchasing water rights, drilling and equipping a new well, redeveloping one of its springs, installing about 4 ½ miles of 8-12 inch distribution pipeline and adding six fire hydrants.

The project is estimated to cost \$1.44 million, with the Board providing 33% or \$472,000. The CIB is providing a \$450,000 grant and a \$450,000 loan. Staff is recommending the town provide \$72,000. Based on the Board's current water service affordability guideline Elsinore residents could pay up to \$23.50 monthly for the proposed project. With the project in place the cost will be \$30.22 per connection per month.

Mr. Strong said staff is suggesting a 25 year repayment period and a 2% interest rate. The city wants to speak to the cost sharing amount and has a question about the interest rate. They understood it would be 1% instead of 2%.

Staff has informed the city they must adopt a time-of-day watering ordinance, a more progressive water rate schedule and they also need to complete a water conservation and management plan.

Darin Robinson said Elsinore Town cannot afford to come up with \$72,000. The town was expecting it to be around \$14,000 but could come up with \$30,000. He also said Elsinore Town is requesting the Board consider a 1% interest rate on the repayment. Mr. Jensen said they received assistance from the Board in the late 70's, and have paid the loan off. He said they would appreciate all the help the Board can give.

Director Anderson said staff would look into the interest rate, however if the town can come only come up with \$30,000 they are therefore requesting the Board provide \$514,000. He said this would make the repayments slightly higher, however the repayment period would still be 25 years.

Harold Shirley made the motion to authorize the Elsinore Town project in the amount of \$514,000 to be repaid in 25 years with the interest rate to be worked out. The town must provide an acceptable water conservation and management plan, including a capital replacement plan, and adopt a more progressive rate schedule. Lucille Taylor seconded the motion and the Board agreed.

## COMMITTAL OF FUNDS

### #E056 Deseret Irrigation Company

Dennis Strong said the proposed project is located south of the communities of Hinckley and Deseret in Millard County. He said the company concrete-lined about 9,500 feet of the Old Deseret Canal and installed about a mile of pipeline. They are requesting assistance to begin Phase II, lining of about 3,200 feet of canal. The Phase II project is estimated to cost \$110,000.

Paul Riley made the motion to commit funds to the Deseret Irrigation Company's Phase II project in the amount of \$88,000 (80%) to be repaid in two years at 0% interest with annual payments of \$81,000 in 2008 and approximately \$7,000 in 2009. Bill Marcovecchio seconded the project and it was approved by the Board. Chair Peterson declared a conflict of interest.

### #E079 East Bench Irrigation Co.

Mr. Strong reported the proposed project is located about 1 ½ miles northeast of Panguitch in Garfield County. The company is requesting assistance to install about 16,000 feet of 24-inch PVC pipeline adjacent to the existing East Bench Ditch, to carry the sponsor's primary water right of 8.65 cfs. The project will also include an intake structure and ten turnouts. The authorized cost estimate assumed the company would install the pipeline with its own forces, however the company has decided to use a contractor to furnish the equipment and manpower; this increases the Board's cost share by \$40,000. The Board's cost share equals funds from the Upper Sevier River Water Conservancy District (USRWCD) plus 85% of the remaining costs. The USRWCD amount will be returned to the Board once a contract has been signed between the USRWCD and the Department of Interior (via the Central Utah Water Conservancy District (CUWCD), which will allocate the money through Section 206.)

Chair Peterson introduced Lee Wimmer, Asst. General Manager for the CUWCD to explain the possibility of the East Bench Irrigation Co. receiving Section 206 monies. Mr. Wimmer said an application has been received and this is the kind of project that funds have been set aside for under Section 206 for Piute-Garfield County. He said he felt the CUWCD Board would support it. A cultural resource survey and an Environmental Impact Statement need to take place along with a public hearing being held the 19<sup>th</sup> of September. The commitment of funds will not occur until after these three things take place. Mr. Wimmer said it is a favorable looking project and the money is available. He felt funds could be committed in October.

Harold Shirley made the motion funds be committed to the East Bench Irrigation Company in the amount of \$445,000 (96%) to be repaid at 0% interest with annual payments of \$9,000. Funds will not be released until approval is received from the CUWCD for the Section 206 funds. Paul Riley seconded the motion and it was agreed upon by the Board.

#### #L540 Price City

Dennis Strong said Price City is requesting financial assistance to replace 12 miles of old 12 and 16-inch diameter culinary water transmission pipe which will run from a treatment plant in Price Canyon to the distribution network in town. The authorized cost of the project was \$10 million, however the low bid received was about \$8.3 million, therefore the city is requesting less than authorized from the Board.

Cleal Bradford made the motion to commit funds to Price City in the amount of \$2.885 million (35%) to be repaid in 25 years at 1.5% interest with annual payments of approximately \$140,000, not including reserves. Reserves will be accumulated in the amount of \$140,000 when the first payment to the Board is due. Brad Hancock seconded the motion, and the Board agreed unanimously.

#### #E073 Brady Ditch Irrigation Company

Dennis Strong said the company is requesting financial assistance to replace a 35 year-old, 3,200 foot-long concrete-lined irrigation ditch with 18-inch PVC pipe, construct an inlet structure, install a measuring flume and four turnouts, and remove two old regulation ponds. The project is estimated to cost \$80,000. Warren Peterson declared a conflict of interest.

Bill Marcovecchio made the motion to commit funds to the Brady Ditch Irrigation Company in the amount of \$60,000 (75%) to be repaid at 0% interest with annual payments of \$4,000 over 15 years. Ivan Flint seconded the motion and it was agreed upon by the Board.

### SPECIAL ITEMS

#### #E085 Roy Water Conservancy Subdistrict

Chair Peterson introduced Carlos Larsen and Roy Watts. Mr. Strong said the subdistrict supplies secondary lawn and garden irrigation water to 8,700 connections within and adjacent to Roy. To meet increasing demands, the subdistrict is planning a three-phase multi-year expansion and development project. The subdistrict's cost for the system will be paid from the proceeds of the sale of bonds and is requesting the Board pay costs associated with bond insurance.

Mr. Watts commented the \$1.6 million project to expand the pressure reservoir is a very positive thing. The reservoir will allow them to have enough capacity to take care of the bulk of their growth as well as additional facilities for growth in the west part of town.

Ivan Flint commented this is one of the best secondary systems in the state. He made the motion to provide the grant of \$19,000 to buy bond insurance for the project. Cleal Bradford seconded the motion and the Board agreed.



### #F353 Kent's Lake Reservoir Company

The company has received funds from the Board on several occasions to make repairs to three dams. An increase in annual payment to the Board for the early 1990's Upper Kents dam repair and enlargement project was based on the Middle Kents and Three Creeks projects being paid off. Dam safety study expenses were added to the Middle Kents project balance, however, extending its repayment period a number of years. The result of this is an increase in the company's total annual payment to the Board of \$5,000 for the next two years.

The company states its bylaws limit the amount that can be assessed and the 2002 payments as they now stand, plus annual operation and maintenance expenses, will exceed its revenue. It therefore requests the Board adjust its annual payments.

Harold Shirley made the motion to amend the Kent's Lake Reservoir Company contract to adjust the total amount paid by the company for the last three years of the contract to be \$20,000. This will extend the repayment period to 2008. Bill Marcovecchio seconded the motion and it was agreed upon by the Board.

### UTAH LAKE SYSTEM (ULS) DISCUSSION

Director Anderson said staff felt it important the Board get an update from the Central Utah Water Conservancy District on the progress of the Central Utah Project. It has had several names, and is currently called the Utah Lake System. He asked Milo Barney to introduce the people who were there to talk to the Board about the project.

Milo gave the history of the Central Utah Project and introduced Mayor Randy Brailsford of Salem and Mayor Dale Barney of Spanish Fork City. Mayor Brailsford said he is the chairman of the South Utah County Mayors Group which includes ten cities. He said they formed the group when the Department of Interior dropped the SFN (Spanish Fork-Nephi) project which included eliminating delivery of water to south Utah County and Juab County. Delivery of water to these areas had been promised and paid for for nearly 50 years. The group is only asking that the promise be kept. They have planned for many many years for infrastructure of secondary pipelines and for the water needed for projected growth.

Mayor Brailsford asked the Board to realize the needs of the area and what has been promised them. Mayor Barney agreed with Mayor Brailsford's statement. He said he felt the water was promised and water should go to the south Utah County area. Mayor Brailsford asked the Board to prepare a letter stating its support of the group's initiative to keep the water in south Utah County.

Lee Wimmer of the CUWCD explained the district's future and present projects. He also explained what happened with the Upper Diamond Fork tunnel. They were part of the four proposed alternatives. He said it took them a couple of years to start planning again. When they did, they determined what was basically an irrigation program would need to be an M&I project

if they were to plan for the next 50 years. The district consulted with south Utah County to see if their plans for the water considered changing from irrigation to M&I. They said they could do it and the Department of Interior said they probably could do it but they needed approval. He said when Strawberry Water Users Association decided they were no longer willing to participate the CUWCD felt there was no place to go. Mr. Wimmer also explained that Strawberry has filed a lawsuit and it complicates the district's planning.

He said the district is looking at different alternatives, some of which he explained, and they hope to have them developed sometime in October; it will take a year or year and a half to do all the details and then another year after that before a decision can be reached and construction started. He said the district board approves the alternatives; they will go to the EIS with the alternatives, and the decision as to which alternative will be accepted will be based on what comes out of the hearing.

Mr. Wimmer said after the 2000 census, the district found the cities in south Utah County have been growing considerably faster than the Governor's Office of Planning and Budget had projected. The Office of Planning and Budget is consulting with the Mountainland Association of Government to get a current update which hopefully gets it to 30,000.

Lucille Taylor said there is a problem as the cities are growing and there are people who have paid for water all these years and have been building and expecting water to be delivered. The CUWCD is constrained by federal processes and has to obtain approvals from a lot of different sources and can only deliver water where there is a demonstrated need. The Strawberry issue creates a conflict between M&I and ag water and out of all this comes the need to deliver water to south Utah county.

Mrs. Taylor made the motion the Board write a letter stating they support the concept of CUP water being delivered to south Utah County. The letter is to be presented at the September Board meeting for approval before being sent. Cleal Bradford seconded the motion and it was agreed upon by the Board.

Mrs. Taylor thanked Milo Barney, Lee Wimmer, Mayor Brailsford and Mayor Barney for making the long trip to the meeting, and appreciated their presentations.

#### Richland Non-Profit Water Company

Chair Peterson introduced Brian Wood and Bob Wood. Mr. Wood said it was appropriate that while the Board was in Bear Lake they introduce their project for the area. He explained the project and said they would be approaching the Board in the future for financial assistance.

## FLAMING GORGE WATER RIGHT

Dennis Strong reminded the Board that when the Flaming Gorge Water Right was granted there were two requirements – water management and conservation plans needed to be submitted by July 2002 and private water companies had to file proof of use of the water by July 2002 (proof). Political subdivisions have until July 2004 to provide proof. Letters were sent to the ones that had not complied and responses were received from all but Pine Creek Irrigation Co.

Cleal Bradford made the motion to extend the Flaming Gorge Water Right two years (2004) for the Eastside High Ditch Co., Boulder Farmstead Water Co., Garfield County School District, W.W. Water Co., Gunnison Butte Mutual Irrigation Company, and Daggett County; and to withdraw the Pine Creek Irrigation Company's application. Brad Hancock seconded the motion and the Board agreed unanimously.

## SPECIAL ITEMS

### #E081 Metropolitan Water District of Pleasant Grove City

The district has sold bonds in the amount of \$2.3 million to upgrade its culinary and secondary water systems and is requesting the Board grant \$12,000 to buy bond insurance. Lucille Taylor made the motion the Board grant \$12,000 to buy bond insurance to the Metropolitan Water District of Pleasant Grove City. Bill Marcovecchio seconded the motion and it was agreed upon by the Board.

### #E086 Centerville City

Centerville City has sold bonds to upgrade its culinary system and is requesting the Board provide funds for bond insurance. Ivan Flint made the motion to grant the Centerville City \$16,000 to buy bond insurance for a project that is estimated to cost over \$3 million. Lucille Taylor seconded the motion and the Board agreed.

## SAN JUAN WATER CONSERVANCY DISTRICT

Cleal Bradford made the motion to table the San Juan Water Conservancy District request until the September 20, 2002 meeting in Blanding. Brad Hancock seconded the motion and it was agreed upon by the Board. Paul Riley opposed the motion.

## DIRECTOR'S REPORT

Director Anderson asked the Board to turn to page 27 of the Board folder about the five-year review of the operating criteria of Colorado River reservoirs. A fact sheet was attached that had been prepared by the Bureau of Reclamation as part of the review process. He said staff has commented on the process and he doesn't anticipate any changes in the long-range operating criteria of the reservoirs.

Mr. Anderson referred to a memo regarding California complying with the Interim Surplus Guidelines. He suggested the Board Members read through the memo to become acquainted with California's Quantification Settlement Agreement which puts a cap on the amounts of water allocated to the Imperial Irrigation District, the Coachella Valley Irrigation District, and the Palo Verde Irrigation District. He then explained the issues surrounding the Salton Sea.

Mr. Anderson said there will be another conference held on the Colorado River Delta in Tijuana in late October.

## NEXT BOARD MEETING

The next Board meeting will be September 20<sup>th</sup> in Blanding. The plan is to meet in Green River early September 19<sup>th</sup> for a tour of the Gunnison Butte project in Green River and then Grand County Water Conservancy District will provide lunch for the Board in Moab.

Meeting adjourned at 11:50 a.m.

BOARD OF WATER RESOURCES  
SEVIER RIVER BASIN TOUR  
June 13, 2002

Board members and selected staff boarded a bus on June 13, 2002, at 7:30 a.m. at the Days Inn in Richfield for a tour of a portion of the Sevier River Basin. Everyone received a tour booklet. Chairman Warren Peterson introduced everyone and welcomed them to his area.

Lloyd Austin had asked Dr. Wynn Walker, from Utah State University, to talk about the history of the Sevier River and water rights issues. Dr. Walker gave the history from the late 1850's when the early pioneers settled the area and built water development projects that were very primitive and failed many times. He explained the water rights on the river and said the first agreements were negotiations between the users up and down the river. The Cox Decree signed in 1936 was the final determination of all the water rights, and is still in use today.

After passing Koosharem Reservoir, Warren Peterson talked about the diagram of the Sevier River reservoirs. He said Otter Creek was the third largest reservoir on the river. He asked Ivan Cowley to talk about Otter Creek.

Mr. Cowley said the major rehabilitation project has been completed on the Otter Creek Dam. He thanked the Board for assisting the Otter Creek Reservoir and Irrigation Company with the work to upgrade the embankment, spillway and outlet works to meet the dam safety standards established by the Utah State Engineer. He also talked about the real time computer system that was installed which works very efficiently and allows everyone to look on the internet everyday to see where the water is. He said the river is divided fairly and everyone has to share in shortages of water.

The group stopped at the Otter Creek Reservoir; and Kay Mar Willis, park manager, got on the bus and talked about the park. He explained it had been on the budget cutting block for the Division of Parks and Recreation. Everyone got off the bus and walked over to look at the dam and the outlet works that had been repaired. Jay Franson and Bill Leeftang talked about the construction work done at the dam.

After the bus left Otter Creek, Wynn Walker talked more about the water rights and use of return flows on the Sevier River. He said the Vermillion Dam was the division for the upper and lower Sevier River. Some of the Piute Reservoir water rights holders also own water rights in the Deseret Irrigation Company.

The bus stopped at Piute Dam and Reservoir. Some of the Board members and staff got on a small bus and rode over to look at the dam to see where the repairs need to be made. Richard Noble and Bill Leeftang talked about the construction schedule and work for the Piute Dam Rehabilitation project that is scheduled to be completed in three phases.

The first phase would consist of constructing the internal drainage system. During the second phase the upstream embankment and outlet works improvements would be constructed. The third and final phase would include construction of the emergency spillway. Each phase is independent of the others and a delay between construction of the various phases would not affect the operation of the dam. The total estimated cost for the Piute Dam rehabilitation is \$7,800,000. The bid opening for the first phase is July 31, and they hope to have the reservoir drained so construction can begin by the end of August.

Richard Noble talked about some of the concerns of the Piute Reservoir and Irrigation Company stockholders. He said the reservoir provides benefits to the general public including recreation, regulation for the entire upper Sevier River and facilitates administration of the water rights. He also said the company feels it will lose about 12,000 acre-feet of water next year, which has a direct economic impact to the farmers of about \$1.8 million. Therefore, the company requests a 95% grant from the Board of Water Resources instead of 90% as recommended by the staff.

After the group left Piute Dam, Dr. Walker talked about the possibility of an exchange of water to avoid the 12,000 acre-foot loss when the Sevier Bridge Reservoir is drained next year for dam safety repairs. Mr. Noble said the real time data will also be available for Piute Dam.

As the bus drove through Monroe, Mr. Cowley pointed out some of the large sprinkling systems. The bus stopped in Austin while Dale Hamaker of Galli Construction explained the laser land-leveling process he uses in the area to help the farmers increase their production and use their water more efficiently. Dr. Walker also explained that level basin irrigation systems can be more efficient than sprinklers. On the way to Richfield, Mr. Cowley pointed out the center for the Sevier River Water Users telecommunications system. He said the system has been expanded to include automation on all major reservoirs on the Sevier River and on 15 major diversion structures. All of the real-time information is currently being displayed on the internet at [www.sevierriver.org](http://www.sevierriver.org).

The group stopped for lunch in Richfield at the Lion's Park. After lunch everyone boarded the bus to go to Sevier Bridge Reservoir. Mr. Peterson welcomed the people who joined the group for the afternoon tour. He pointed out the route of the Sevier River as it flows through the valley. He also pointed out the Vermillion Dam which regulates the upper and lower Sevier River. The Sevier River flows north towards Delta. He said the Piute Canal, which is 65 miles long, parallels the highway and ends at the high end of Yuba Lake.

Chairman Peterson explained the Redmond Irrigation Company's project while the bus drove through Redmond. He said the company wants to request authorization and committal of funds for the project at the Board meeting so the project can be used this summer. He encouraged everyone to read the insert in the tour booklet regarding the "Real Salt" company that is located in Redmond.

Steve Wilde said a list of the water projects in the Sevier River Basin funded by the Board of Water Resources was included in the tour booklet. He talked about the Dairy Dam project funded for the Gunnison Irrigation Company as the bus drove by Centerfield. He said the counties in the Sevier River Basin have received a lot of funding from the Board of Water Resources throughout the years.

Reed Searle, General Manager of the Intermountain Power Agency (IPA), talked about the importance of the Sevier River to IPA. He explained the process for getting steam at the Intermountain Power Project (IPP) near Delta. He also explained how IPA acquired water shares in five different water companies in the area. He said IPA is a political subdivision of the state of Utah and was funded by 23 Utah cities that own the power project. They could not use all of the power generated so they partnered with municipalities in California and Nevada.

Mr. Searle described some of the problems with the proposed development of a third unit of the IPP. He explained IPA's concerns about draining Sevier Bridge Reservoir to make dam safety improvements. He said they may have to enter into operation agreements with some farmers to de-water their farms.

When the bus stopped at Yuba Lake State Park, everyone got off the bus and looked at the Sevier Bridge Reservoir, which is owned by stockholders of the Consolidated Sevier Bridge Company. Clyde Bunker talked about some of the frustrations of the farmers and said the water users are paid nothing for the use of the facilities. Mr. Bunker introduced Mike Collins, who is the engineer for the dam remediation project.

Mr. Collins said the Sevier Bridge Reservoir was the largest non-federal government reservoir built in the state of Utah. The dam is an earthfill structure with a crest length of about 1,300 feet, and the reservoir has an estimated storage capacity of about 236,000 acre-feet. He explained the recommended improvements to the dam and outlet works to meet the dam safety requirements. He said the first phase of the project is to install guard gates on the upstream end of the low-level outlet and to correct a liquifaction problem if it is determined one exists. He said the dam owners would like to upgrade the regulatory gates and possibly line the unlined outlet tunnel when the dam is dewatered to install the guard gates. Mr. Collins recommended the company should replace the spillway and construct an embankment on the north end of the dam. He also suggested the Utah Department of Transportation remove and replace the existing bridge across the channel to the spillway with a larger structure.

After some of the group walked down to look at the existing spillway, everyone got on the bus and listened to Bill Leeftang explain the technical aspects of the dam safety program. Dennis Strong also talked about the funding for the dam safety program.

Warren Peterson thanked Representatives Brad Johnson and Mike Styler for being on the tour and listening to the funding concerns of the Board members and project sponsors. While the bus returned to Richfield, Mr. Peterson showed a video of the damages of the 1983 floods.

The bus arrived at the motel in Richfield about 5:00 p.m.

Attendees  
Board of Water Resources Tour  
Sevier River Basin  
June 13, 2002

Board Members

Warren Peterson  
Paul and Dorothy Riley  
Lucille and Richard Taylor  
Ivan and Marlene Flint  
Harold and Diane Shirley  
Brad Hancock

Staff Members

Larry Anderson  
Dennis Strong  
Lloyd Austin  
Steve Wilde  
Bill Leeftang  
Craig Miller  
Nancy Fullmer  
Randy Staker  
Geralee Murdock  
Ron King

Visitors

Sherm and Marsha Hoskins, Department of Natural Resources  
Jerry Olds, Division of Water Rights  
Kirk Forbush, Division of Water Rights  
Kurt Sorenson, Piute Reservoir & Irrigation Company  
Russell Anderson, Piute Reservoir & Irrigation Company  
Russell Christensen, Piute Reservoir & Irrigation Company  
Ivan Cowley, Otter Creek Reservoir and Irrigation Company  
Wynn Walker, Utah State University  
Richard Noble, Franson & Noble Associates  
Jay Franson, Franson & Noble Associates  
Clyde Bunker, Consolidated Sevier Bridge Company  
Reed Searle, Intermountain Power Agency  
Dean Anderson, Sevier Water Users  
Representative Brad Johnson, Utah State Legislature  
Representative Michael Styler, Utah State Legislature  
Mike Collins, Bowen, Collins & Associates



*Approved*  
MINUTES

BOARD OF WATER RESOURCES  
BRIEFING MEETING

June 14, 2002

Days Inn  
333 North Main  
Richfield, Utah

## BOARD OF WATER RESOURCES

Briefing Meeting  
June 14, 2002

The board of Water Resources held a briefing meeting and breakfast on June 14, 2002 at 7:00 a.m. in the restaurant at the Days Inn Motel, 333 North Main, Richfield, Utah.

The following people were in attendance:

### BOARD MEMBERS

Warren Peterson  
Paul Riley  
Ivan Flint  
Brad Hancock  
Lucille Taylor  
Cleal Bradford  
Harold Shirley  
Bill Marcovecchio was absent

### STAFF MEMBERS

Larry Anderson  
Dennis Strong  
Lloyd Austin  
Nancy Fullmer  
Steve Wilde

### VISITORS

Sherm Hoskins

Chairman Warren Peterson welcomed everyone to the meeting.

### Discussion of Projects

The Board members questioned the financial feasibility and repayment ability of Randy Nelson to repay the loan for the proposed project being sponsored by the Gunnison Butte Mutual Irrigation Company. Director Anderson said the company was organized several years ago by about a dozen farmers for the express purpose of obtaining Flaming Gorge water rights from the Board of Water Resources. Shareholders other than Mr. Nelson are reluctant to back the proposed project if they are to be held financially responsible for payment if he defaults. Mr. Nelson told staff he is willing to form a non-profit irrigation company of his own if that would enable him to obtain funding for the project. Steve Wilde said if the Board approves the project, other shareholders in the company will probably request funding from the board for their individual projects. After considerable discussion, Cleal Bradford suggested the Board members tour the project area during the September Board tour to Southeastern Utah.

Warren Peterson said he had a conflict of interest with the Brady Ditch Irrigation Company. The company is requesting funding for a project in Sanpete County to replace a concrete-lined ditch with PVC pipeline. Staff suggested if the Board authorizes the project, it be purchased with annual payments of \$6,000 at 0% interest over approximately 10 years. The sponsor requests annual payments of \$4,000 at 0% interest over approximately 15 years.

The Board members had considerable discussion about the low water rates currently being charged by Centerville City. They also questioned why the cost per connection with the proposed project was below the Board's water service affordability guidelines.

Steve Wilde said the proposed project for the Redmond Lake Irrigation Company was a continuation of a project built in 1994 with financial assistance from the Board to replace a portion of its main canal with polyethylene pipe. The company wants to install a pump with an electric motor to deliver required flows from Redmond Lake into the existing pipeline. The company has completed most of the Sponsor's Responsibilities outlined in the feasibility report and is therefore requesting authorization and committal of funds. The sponsor wants to complete construction as soon as possible so the project can be used this summer.

After reviewing the dam safety report for the Piute Reservoir and Irrigation Company, there was a discussion about increasing the cost sharing percentage from the Board as requested by the sponsor during the tour of the project. The Board members also discussed the guidelines for recommendations for dam safety funding.

The feasibility report for the East Bench Irrigation Company's proposed project was handed out to the Board members. Steve Wilde said the project was placed on the agenda but the report was not written in time to be put in the Board folder. Harold Shirley said the project would use funds being requested by the Upper Sevier River Water Conservancy District from the Central Utah Water Conservancy District through Section 206 funds. The company would repay \$315,000 as soon as the CUP funds are allocated to the district. Dennis Strong said staff received a telephone call from the sponsor requesting engineering assistance from division staff and funding from the Board for a drought relief project. The sponsor provides flood irrigation water through the East Bench Ditch, which is losing about 75% of its flow. The company would like funds to install a PVC pipeline adjacent to the ditch to carry the primary water right. Staff said the sponsor is not ready for committal of funds.

#### Other Items

Chairman Warren Peterson said he would like the minutes from the April 19 Board meeting to explain the reason he opposed the motion on the Sandy Canal Company's request to release a portion of the company's water rights and prepay a portion of its loan to the Board. He opposed the motion because the shareholder who triggered the whole process was excused from paying future assessments.

Lucille Taylor discussed the letter she requested staff to write to the Central Utah Water Conservancy District for Chairman Peterson to sign on behalf of the Board regarding support for getting CUP water to south Utah County and eastern Juab County. Dennis Strong recommended the Board not take an action at this meeting. Representatives will be invited to make a report at the August Board meeting.

Chairman Peterson asked Cleal Bradford to continue serving on the Community Impact Board as the representative for the Board of Water Resources.

Chairman Peterson said he would like to continue the same format of holding the briefing meetings in the morning and the Board meetings in the afternoon when the meetings are held in Salt Lake City.

Cleal Bradford mentioned a letter the San Juan Water Conservancy District sent to him requesting the Board allow them to use this year's repayment for small water projects in small communities in their area as they did during the drought four years ago. He said this year's drought is worse than four years ago and without the Board's help at that time some of the communities would have run out of water without the projects they constructed. Director Anderson said he received the letter but he has asked staff to gather additional information before staff makes a recommendation to the Board. He said the Board might get a number of similar requests to delay repayments. He cautioned the Board to be extremely careful since the repayment money may already be committed to other water projects.

Mr. Bradford asked if the Board members would be interested in having an evening activity in the canyon when they are in Blanding for the September Board tour. Everyone said they would.

Nancy Fullmer informed the Board members in order to hold the December Christmas Party at the Lion House, they would need to change the date of the meeting and party from December 13 to December 20. She also said she could try to find a different place for the party if they preferred. The Board members agreed to change the December Board meeting and party to December 20.

The meeting adjourned at 8:20 a.m.

*Approved*  
MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
June 14, 2002

Days Inn  
333 North Main  
Richfield, Utah

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## SUMMARY OF BOARD ACTIONS

1. The Minutes of the April 19, 2002 Board meeting was approved with suggested changes. page 1
2. The Gunnison Butte Mutual Irrigation Company project was tabled until the Board can tour the area in September. page 3
3. The Board authorized the Brady Ditch Company project in the amount of \$60,000 (75%) to be purchased at 0% with annual payments of \$4,000 over approximately 15 years. page 4
4. The Centerville City project was authorized in the amount of \$1.142 million (26%) to be repaid in 16 years at 3% interest beginning in 2005 with annual payments ranging from \$35,000 to \$233,000. page 4
5. The Board authorized and committed funds to the Redmond Lake Irrigation Company in the amount of \$61,000 (85%) to be purchased over approximately 14 years at 0% interest with annual payments of \$3,000 through 2014 and \$14,000 thereafter. page 5
6. The East Bench Irrigation Company project in the amount of \$405,000 (96%) to be repaid from the Revolving Construction Fund at 0% interest over ten years with escalated repayments. The motion is conditioned upon the confirmation of funds being received from the CUPCA 206 program. page 6
7. The Board withdrew the Ivins City project from further consideration. page 6
8. The Piute Reservoir and Irrigation Company received a dam safety grant in the amount of \$3.752 million (95%) and a loan of \$197,500 (5%) to be repaid at 0% interest over approximately 20 years with annual payments of \$10,000. page 7



## THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, June 14, 2002 at the Days Inn, 333 North Main, Richfield, Utah, at 8:30 a.m.

### BOARD MEMBERS PRESENT:

Warren Peterson  
Paul Riley  
Lucille Taylor  
Harold Shirley  
Ivan Flint  
Cleal Bradford  
Brad Hancock  
Bill Marcovecchio was absent

### STAFF MEMBERS PRESENT:

D. Larry Anderson, Director  
Dennis Strong, Deputy Director  
Lloyd Austin, Asst. Director  
Nancy Fullmer, Administrative Secretary  
Randy Staker, Accountant  
Ron King, Public Affairs Officer  
Steve Wilde, Chief, Investigations  
Craig Miller, Sr. Engineer  
Tom Cox, Engineer  
Geralee Murdock, Executive Secretary

### OTHERS PRESENT:

Harold Brown, Retired Division of Water Resources Engineer  
Sherm Hoskins, Deputy Director, Department of Natural Resources  
Marie Maxwell, Water Rights Counsel, Stewart Water Information  
Charles (Chuck) Jeffs, Manager, Rural Water Association of Utah  
  
Lee Thayn, President, Gunnison Butte Irrigation Co.  
Randy Nelson, Gunnison Butte Irrigation Co.  
Kent Nelson, Gunnison Butte Irrigation Co.  
Grant Hanson, Engineer, Harward Irrigation

OTHERS PRESENT CONT'D:

Clyde Mortensen, President, Brady Ditch Irrigation Co.  
Dan Brinkerhoff, Brady Ditch Irrigation Co.  
Darlene Mortensen, Brady Ditch Irrigation Co.  
Ruth Brinkerhoff, Brady Ditch Irrigation Co.

Frederic T. Campbell, Engineer, Centerville City  
Blaine Lutz, Finance Director, Centerville City  
Jason Burningham, Financial Advisor, Lewis Young Robertson & Burningham, Inc.

Keith M. Hampton, President, Redmond Lake Irrigation Co.  
Kelly Johnson, Secretary, Redmond Lake Irrigation Co.  
John Huntamer, Area Engineer, USDA-NRCS

John Reich, East Bench Irrigation Co.  
Steele Henrie, Treasurer, East Bench Irrigation Co.  
Tracy Henrie, Board member, East Bench Irrigation Co.  
Juliann Henrie, East Bench Irrigation Co.  
Chris Fullmer, President, Upper Sevier River Conservancy District

Kurt N. Sorensen, President, Piute Reservoir and Irrigation Co.  
Russell W. Anderson, Secretary-Treasurer, Piute Reservoir and Irrigation Co.  
Russel Christensen, Director, Piute Reservoir and Irrigation Co.  
Ken Chamberlain, Attorney, Piute Reservoir and Irrigation Co.  
Richard Noble, Franson-Noble Engineering

MINUTES OF THE  
BOARD OF WATER RESOURCES MEETING  
June 14, 2002

Chair Warren Peterson opened the meeting and thanked Lucille Taylor for her two years of service and presented her with the gavel she had used the past two years, and said everyone had profited by her service as chair. Mrs. Taylor expressed thanks for the gavel and said it was her pleasure to serve. Chair Peterson introduced Sherm Hoskins, Deputy Director of the Department of Natural Resources, also Harold Brown, retired employee of the Division of Water Resources, and Chuck Jeffs of the Rural Water Users Association.

APPROVAL OF THE MINUTES

Lucille Taylor made the motion to approve the minutes of the April 19, 2002 meeting with minor changes. Cleal Bradford seconded the motion and the Board agreed.

CHAIR'S REPORT

Chair Peterson said water funding in Utah has been a public priority since statehood and before. Our communities are built around water systems that are true community efforts. With the budget shortfall there is a move afoot to remove tax supported funding for water development, and he urged water users to take action; citizen board members can speak out. Mr. Peterson said he has asked to meet with the Governor's Chief of Staff for the purpose of encouraging the Governor's Office to allow our citizen board to participate as policy that impacts water funding is developed. Cleal Bradford thanked Chair Peterson for taking the initiative.

REPORT ON UTAH LAKE SYSTEM SCOPING PROCESS

Dennis Strong stated the history of the Central Utah Project – Bonneville Unit, Utah Lake System (ULS). He said that following ULS scoping meetings in February the Central Utah Water Conservancy District is focusing on two basic delivery alternatives to get water to Salt Lake County and north Utah County: one would be to pipe water from the Diamond Fork pipeline to the Murdock diversion on the Provo River, the other would be a pipeline from Strawberry and a pumping facility to get water over Daniels to the Murdock diversion. To accomplish this Congress must amend the Central Utah Project Completion Act; a bill has been introduced in Congress to authorize the M&I project.

Mr. Strong said at the scoping meetings south Utah County cities and Juab County wanted to know why they had been left out of the project. They said they had been part of the district since it was organized and have paid taxes, and were promised water from the Bonneville Unit. They also disagreed with the population projection and M&I water needs shown for their

areas. Mrs. Taylor said the Governor's Office of Planning and Budget has projected figures which are completely out of alignment with what is actually being built in the areas.

Mr. Strong said they'd like to invite representatives from Jordan Valley Water Conservancy District along with representatives from south Utah County communities, East Juab Water Conservancy District and Central Utah Water Conservancy District to attend the Board's August meeting and present a more detailed status report. Mrs. Taylor said this is a last ditch effort to get this water to southern Utah County. It's been many years in the expectation and many people have given their hearts and souls to the project. It is very upsetting to see it not materialize.

## FEASIBILITY REPORTS

### #E004 Gunnison Butte Mutual Irrigation Company

Chair Peterson introduced Lee Thayn, president; Randy Nelson and Kent Nelson. Tom Cox reported the Gunnison Butte Mutual Irrigation Company was organized to obtain Flaming Gorge Water Rights from the Board. They applied for enough irrigation water for 4,085 acres of new ground and supplemental water for 1,501 acres currently being irrigated. The Board awarded 24,825 acre-feet to the sponsor.

Some individual shareholders are ready to begin utilizing Flaming Gorge water on their farms through upgraded, existing systems, while others are planning to install new systems themselves. Randy Nelson has approximately 440 acres of private land and about 1,100 acres of SITLA land used for grazing but suitable for cultivation about two miles from the Green River. He, with his son, proposes to irrigate the acreage and run a rotational grazing operation. In addition, they plan to grow about 125 acres of lawn turf. Since the Nelsons' proposed operation is the sole beneficiary of the project, the remaining shareholders are reluctant to back the project if they would be held responsible for payments if it defaults.

The Nelsons are requesting financial assistance to install a pumped pressurized irrigation system to serve approximately 1,540 acres of new ground. This will include a pump station on the Green River, about 10 miles of 30-8 inch PVC pipe, a booster pumping station, and a large holding pond. The system will serve Mr. Nelson's operation and be installed over five years or so as he has ability to cultivate additional acreage. Technical assistance to date has been provided by Harward Irrigation. The cost is estimated at \$1.475 million. The Nelsons are also seeking federal and commercial loans to purchase sprinklers and farm equipment.

Crop budgets showing on-farm costs and commodity prices were compiled by the Nelsons with assistance from agricultural economists at Utah State University. These budgets were reviewed by staff and found to be reasonable. When all project-related costs and benefits are discounted to present worth over the 50-year useful project life, the benefit/cost ratio is 2.3.

Mr. Nelson will need to ensure the change application approved by the State Engineer includes his proposed diversion, all project farm ground (including SITLA land), stockwatering rights, and storage rights if he intends to hold water for a year-round cattle operation.

Mr. Wilde said the Nelsons are proposing a very ambitious project and taking on nearly \$2.5 million in debt. It appears the project will pay for itself, however it will operate in the red for the first several years; he said projects having few stockholders or one stockholder holding the majority of the company stock pose an additional risk to the Board. The value of the water rights normally taken by the Board are used as collateral; in the case of Gunnison Butte this value can be questioned since the project water rights were granted by the Board. If the Board authorizes the project, it may want to consider increasing its security by requiring the Nelsons to become personally responsible by mortgaging their personal assets.

Mr. Thayne, company president, said all of the company's projects are individual. He said the Gunnison Butte Irrigation Company board supports Mr. Nelson in doing whatever he has to to try to make the project work.

Mr. Nelson explained the proposed project and the benefit it would be to the entire area. After considerable discussion, Cleal Bradford said there were concerns that needed to be addressed further. He also said the Board would be taking a tour in the Green River area in September and made the motion to table the Gunnison Butte Mutual Irrigation Company project until the Board can tour the project. Harold Shirley seconded the motion and the Board agreed.

Kent Nelson, Randy Nelson's son, said he realized the project was ambitious, but he said if the project goes, this is what he will do the rest of his life, and he will do everything he can to make the project work.

#### #E073 Brady Ditch Irrigation Company

Chair Peterson recognized Clyde Mortensen, president; Darlene Mortensen, Dan Brinkerhoff, board member; and Ruth Brinkerhoff. Steve Wilde reported the proposed project is located about two miles north of Fairview in Sanpete County. The company is requesting financial assistance to replace a deteriorated concrete-lined ditch with 18-inch PVC pipe, and remove two regulating ponds. Design and construction engineering will be provided by Scott McAllister. The project is estimated to cost \$80,000. Staff is suggesting the annual payments be \$6,000 at 0% interest over approximately 10 years. The company has an alternate request that annual payments be fixed at \$4,000 at 0% interest over approximately 15 years.

The company received financial assistance from the Board in 1968 to install about 3,600 feet of concrete pipe and 14,200 feet of concrete ditch lining. The project has been paid off.

Mr. Mortensen said the ditch is in terrible shape and is beyond repair. Over the last four or five years the company has been able to repair 1000 feet at a time and pay for it through the company's assessment. The share assessment this past year was raised from \$10 to \$15, and the company is therefore requesting the 15 year repayment period at a lower annual repayment.

Paul Riley made the motion to authorize the Brady Ditch Company project in the amount of \$60,000 (75%) to be purchased at 0% with annual payments of \$4,000 over approximately 15 years. Ivan Flint seconded the motion. The Board agreed. Lucille Taylor opposed the motion.

#### #L544 Centerville City

Chair Peterson introduced Blaine Lutz, Jason Burningham, and Frederic T. Campbell. Steve Wilde reported Centerville City currently supplies culinary water to 4,288 connections. Approximately 80% of the connections are connected to a pressurized secondary irrigation system, the culinary system provides water primarily for indoor use. The culinary system is subdivided into north and south systems. The north area is short of water and the city is trying to move water from the south system into the north system, which will require additional storage and booster pumps.

The city has a plan to upgrade and make improvements to both the culinary water and drainage systems through 2008, and has requested financing from the Utah Water Finance Agency to do this. Construction on the culinary transmission line and storm drain line has started along with construction of the tank and drilling of a new well.

The city is requesting financial assistance from the Board for projects to be constructed in 2003 and 2004; they include pumping equipment and a building for the new well that will be drilled this year, installation of culinary water transmission lines and sub-drain lines with connections to approximately 120 residences, construction of a booster pumping station, providing stream channel improvements for Parrish and Deuel Creeks, and installation of a box culvert on Parrish Creek. ESI Engineering will provide design and construction engineering services. The cost of the project is estimated at \$4.348 million. They are requesting 26% from the Board of Water Resources or \$1.142 million.

The cost per connection per month is estimated at \$37.64, which is below the Board's water service affordability guideline stating Centerville City's residents could pay up to \$56.26 per month for all water service. The amount is considered acceptable since the city will continue to make improvements over the next seven years.

Centerville City has received financial assistance from the Board in the past, and both loans have been paid off. Jason Burningham said the bonds they are proposing through the Board of Water Resources will be issued on parity with the Utah Water Finance Agency and will equally be secured by the revenues of the water system as well as the storm drainage system. There are also some subdrainage fees.

After further discussion, Ivan Flint made the motion to authorize the Centerville City project in the amount of \$1.142 million (26%) to be repaid in 16 years at 3% interest beginning in 2005 with annual payments ranging from about \$35,000 to \$233,000. Cleal Bradford seconded the motion and it was agreed upon by the Board.

## SPECIAL ITEMS

### #E072 Redmond Lake Irrigation Co.

Chair Peterson introduced Keith Hampton, president; Kelly Johnson, secretary, and John Huntamer, engineer. Steve Wilde reported the company provides flood irrigation to about 1200 acres of farmland and 50 acres of lawns and gardens north of and throughout the town of Redmond. In 1994 the company replaced about 6,300 feet of its main canal with polyethylene pipe. The pipeline was designed to deliver 15.4 cfs at an average minimum lake elevation of 5108; since installation the company has stated it has received significantly less than that.

When the pipeline was first used, a large amount of gravel entered it; a video camera showed deposits 6-8 inches deep. In addition, there appeared to be clay deposits and/or other glutinous substance in the pipe. These deposits have reduced the effective area of the pipe and appear to be getting larger with time. A lack of sufficient air vents add to the problem, and the lake occasionally drops below the average minimum design level of 5108.

The company is requesting financial assistance to install a close-coupled vertical turbine pump, with electric motor, to deliver required flows from Redmond Lake into the existing polyethylene pipeline. The project is anticipated to be used most years only in mid-late summer and includes an inlet structure to the existing pipeline, conveyance pipe between inlet and pump, and appurtenances. Additional air vents on the existing pipeline will likely be provided by the NRCS, who will also provide design and construction engineering services. The project is estimated to cost \$72,000.

The company received \$217,000 from the Board in 1994 to help replace about 6,300 feet of its main canal with 28-to 32-inch polyethylene pipe. Annual payments of \$11,000 are being made to the Board through 2014 for that project.

Mr. Hampton explained the problems the company has been experiencing, and said the company would like to complete the project as soon as possible so it can be used this summer. Harold Shirley made the motion to authorize and commit funds in the amount of \$61,000 (85%) to be purchased over approximately 14 years at 0% interest with annual payments of \$3,000 through 2014 and \$14,000 thereafter. Cleal Bradford seconded the motion and it was agreed upon by the Board.

### #E079 East Bench Irrigation Company

Chair Peterson introduced Tracy Henrie, Steele Henrie, Juliann Henrie, Chris Fullmer and John Reich. Steve Wilde reported the company provides flood irrigation water to 12 farms totaling about 750 acres northeast of Panguitch. Water is delivered in the 15 cfs capacity East Bench Ditch which measurements show loses up to 75% of its water to seepage in certain gravelly areas.

The company is requesting financial assistance to install 16,000 feet of 24-inch PVC pipeline adjacent to the East Bench Ditch, to carry the primary water right of 8.65 cfs. The project will also include an intake structure and ten turnouts. The project is estimated to cost \$421,000.

The Natural Resources Conservation Service (NRCS) has done some preliminary engineering, but will not be able to do final design, plans and specifications in time to meet the company's planned fall '02 construction schedule. Therefore, the company is requesting division staff provide final design and construction engineering services.

The company requests the Board provide financial assistance in an amount equal to funds available for the project from the Upper Sevier River Water Conservancy District (USRWCD). The USRWCD amount is 75% of the project cost or \$315,000 which will be returned to the Board as soon as Central Utah Water Conservancy District allocates it through Section 206. Of the remaining \$106,000 in project costs, the company's 85% request from the Board equals \$90,000; staff suggests it be returned to the Board with annual payments of \$9,000 at 0% interest over 10 years.

Mr. Wilde said the project would save up to an estimated 1600 acre-feet annually and reduce ditch maintenance. The company needs to become registered in good standing with the state Department of Commerce. Mr. Henrie questioned why they were not in good standing. Mr. Wilde said staff will work with the company to make sure it is current.

Lucille Taylor questioned the funds for the Upper Sevier River Water Conservancy District being received from the Central Utah Project Completion Act 206 funds. Chris Fullmer replied the district had made application for two projects, and had been assured verbally by the Central Utah WCD they would work with the district as they've never received any benefit from them in the past. Richard Noble said there was a difference between the CUPCA 206 and 207 funds. The 206 funds provide for funding of local projects to counties who will not receive any CUP water, and at present there are only three counties eligible for funding – Garfield, Piute, and Sanpete.

After further discussion, Harold Shirley made the motion to authorize the East Bench Irrigation Company project in the amount of \$405,000 (96%) to be repaid from the Revolving Construction Fund at 0% interest over ten years with escalated repayments. The motion is conditioned upon the confirmation of funds being received from the CUPCA 206 program. Ivan Flint seconded the motion, and it was agreed upon by the Board.

#### #L533 Ivins City

Harold Shirley made the motion to withdraw the Ivins City project from further consideration by the Board. Lucille Taylor seconded the motion and the Board agreed.



## DAM SAFETY CONSTRUCTION FUNDING

### #C022 Piute Reservoir and Irrigation Company

Chair Peterson introduced Kurt Sorensen, president; Russel Christensen, Board of Directors; Russell Anderson, Secretary-treasurer; Richard Noble, engineer; and Ken Chamberlain, attorney. Steve Wilde reported Piute Dam was constructed in 1938. The company is now requesting financial assistance to upgrade the dam to meet current state dam safety standards. The upstream slope of the dam is too steep and the spillway, outlet works, and internal drainage system are all inadequate. The work will be accomplished in 3 phases. Phase 1 will be to flatten the upstream slope, construct stability berm, and replace outlet gate; phase 2 will be to reconstruct the drainage system; and phase 3 will be to construct the emergency spillway. Technical assistance is being provided by Franson-Noble & Associates in American Fork.

Because phase 1 is the most crucial from a safety standpoint, and considering availability of funds, staff recommends the Board commit funds at this time for only the first phase plus final design for the entire project. The estimated cost of phase 1 will be \$3.95 million. Staff is recommending a 90% grant and a 10% loan.

Kurt Sorensen said they appreciated the Board and staff going on the tour to see Piute Dam and Reservoir and what is needed there. He said the company would like the same consideration as Otter Creek received (95% grant and 5% loan).

Paul Riley made the motion to give the Piute Dam and Reservoir Company a 95% grant (\$3.752 million) and a loan of 5% (\$197,500) to be repaid at 0% interest over approximately 20 years with annual payments of \$10,000. Harold Shirley seconded the motion and it was agreed upon by the Board.

Lucille Taylor expressed concern over the status of funds. Dennis Strong explained the process and tried to assure the Board of the availability of funds. Cleal Bradford expressed concern over what the Legislature might do concerning Water Resources funds. Director Anderson said the Legislature has appropriated money this coming year and we base our assumption that we'll receive what's already been approved for us. He said the reservoir is going to be drained this year, so it is fairly important the project be constructed because of hydrologic conditions, but if the Legislature changes its mind, the decision to grant the money will be reversed. It is important for staff to be able to tell the Legislature funds were committed to Piute and the reasons why.

Chair Peterson thanked Franson-Noble for hosting lunch during the tour on Thursday and also Piute Reservoir and Irrigation Company for co-hosting the wonderful meal the Board and staff enjoyed Thursday night.

## DIRECTOR'S REPORT

Director Anderson said the Flaming Gorge water rights were awarded with a reversionary clause that would return the rights to the Board if certain stipulations were not met. Applicants awarded water after the Board adopted a formal process require a "Proof of Change" be filed by July 1, 2004 for political subdivisions of the state, and by July 1, 2002 for all others. These awardees must also submit a "Water Management and Conservation Plan" by July 1, 2002.

Letters were sent by certified mail to the eligible recipients reminding them of the requirements and deadlines as appropriate. A list of the recipients showing deadlines and actions that need to be taken is included in the Board folder. If a response is not received by the deadline then staff will recommend at the August Board Meeting to rescind their rights.

A list of the division's critical issues for the next ten years was sent to Bob Morgan for the Utah Tomorrow Strategic Planning Committee; it is included in the Board folder.

Director Anderson said he received an interesting letter from nine different people, most of them were economists, the exceptions being Jay Bagley, retired engineering professor; and Zach Frankel. Director Anderson's response to the letter was included in the Board folder.

The obituary of Jay Bingham was included in the Board Folder. Mr. Bingham was the director of the Utah Water and Power Board that later became the Division of Water Resources. Mr. Bingham was the first executive director of the Department of Natural Resources. He was a consulting engineer and prominent in the water community. Eugene Johansen, former Board member, passed away, and also Norma Waddingham, wife of Thorpe Waddingham, a former senator from Delta and Warren's law partner passed away. Mr. Johansen and Mrs. Waddingham's obituaries were also included in the Board folder.

Chair Peterson expressed appreciation to the staff and especially Lloyd Austin and Craig Miller for their efforts in arranging the Thursday tour.

Meeting adjourned at 11:05 a.m.